The China Weekly

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密勒氏評論報

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YEARLY SUBSCRIPTION, FIFTY-TWO ISSUES, TWELVE DOLLARS (CHINESE CURRENCY) IN ADVANCE, POSTAGE INCLUDED IN CHINA AND JAPAN. IN THE UNITED STATES AND FOREIGN COUNTRIES EIGHT DOLLARS U. S. CURRENCY. REMITTANCE FROM OTHER COUNTRIES THAN CHINA AND THE U. S. CAN BE MADE BY INTERNATIONAL MONEY ORDER. ENTERED AS SECOND-CLASS MATTER IN THE CHINESE POST OFFICE AT SHANGHAI IN MAY 1917.

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WASHINGTON OFFICE
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Colorado Building, Washington, D. C.

MOVE FOR RE-APPOINTMENT OF JUDGE MILTON D. PURDY

THE recent action of the local American Chamber of Commerce, which followed similar action by the Far Eastern American Bar Association, in endorsing Judge Milton D. Purdy for re-appointment as presiding officer of the U. S. Court for China for another term is to be commended and undoubtedly will have the support of most Americans residing in this part of the world. And while foreign exterritorial courts generally and for perfectly obvious reasons do not stand very highly in the opinions of the Chinese, the U. S. Court and the present judge are an exception to the general rule. Although it is not necessary for the President of the United States to request China's consent to the appointment of a Judge to serve in the U. S. Court here, such as is the case with the American Minister, we are sure that if President Roosevelt should request China's views on the subject, the reply would be immediately in favor of the re-appointment of Milton D. Purdy. The reason for this is that Judge Purdy has gained the complete confidence of this international community in which the Chinese population predominates, but which also includes important communities representing about every other nationality on the face of the earth. Judge Purdy came to China in 1924 when conditions were none too happy in the American court. It isn't necessary to review that story here, but briefly Judge Purdy cleaned out the "Augean stables" and with the able assistance of the present District Attorney, Dr. George Sellett, quickly elevated the court to the high position and prestige which it now occupies. Judge Purdy was born in Ohio, resided for a time in Illinois, then went to Minnesota where he studied in the university of that state, receiving the A. B. degree in 1891 and the LL.B. degree the following year. He was assistant city attorney of Minneapolis from 1893 to 1897 and for two years following occupied a similar position in Hennepin county of that state. From 1898 to 1902 he served first as assistant U. S. Attorney and then as U. S. Attorney, following which he became Assistant Attorney-General which position he held until 1908. He then filled the office of Judge for the District of Minnesota, resigning in 1909. From 1922 to 1924 he was special assistant to the Attorney General of the United States at Washington, following which he was appointed to his

present post in China. Politically, Judge Purdy is a progressive Republican and was a member of the Progressive National Committee of that party from 1912 to 1916. He took an active part in the Progressive National Convention (Bull Moose Movement) at Chicago which nominated Theodore Roosevelt cousin of the present Franklin D. Roosevelt, as a candidate for the presidency. There are innumerable reasons why Judge Purdy should be re-appointed for another term as Judge of the U. S. Court, not the least of which is his familiarity with the peculiar problems which exist here under the present exterritorial jurisdiction, problems which are likely to become more complicated due to the early necessity for revising the Sino-American treaty bearing on that subject.

DIABOLIC SOVIET SCHEME TO FREEZE THE JAPANESE

WE are sorry we have no proper map to illustrate what we are going to discuss in this paragraph, hence it will be necessary for our readers to use their imaginations. But the information upon which we base our remarks was derived from the July 12 issue of the *Bulletin* put out by the Japanese Military Information Bureau in Tientsin. Briefly, a famous Soviet scientist, whose name unfortunately was not given in the report, has originated a diabolical scheme for directing the cold currents of the Arctic Ocean away from the Siberian mainland and against Japan in such a manner that the climate of northern Japan, including the main Japanese island, will suffer a sudden drop in temperature, thus bringing about a condition of congealment resembling somewhat the so-called glacial age which once prevalied over Canada and a considerable portion of the United States as well as northern Europe. The Japanese military report telling of this Soviet plot to freeze the Japanese concluded with the following sentence, "One wonders what the League of Nations will do about this when it is brought to their attention," which remark struck us as strange in view of Japan's withdrawal from the said League. Apparently the Japanese warlord who discovered the Soviet plot considers the situation so serious that he thinks Japan should forget her indignation at the League and go back to Geneva in order to save the Imperial Empire and the race of Nippon from a major catastrophe. But to get on with the story: It seems there is located just off the Siberian mainland an island known as Sakhalin, the southern half of which belongs to Japan and the northern half of which is the property to the Soviets. The northern end of Sakhalin, according to the Japanese military report, is only three miles from the mainland and the narrow body of water separating the island from the mainland is quite shallow, some two miles of it being only 20-feet deep. But while this strait, which connects the warm Japan Sea with the cold Russian Sea of Okhotsk, is narrow and shallow, the temperature of the water is very frigid; in fact is so cold that it adversely affects the climate of the Soviet Maritime provinces which front on the northern Pacific. This is due to the fact that a cold Arctic current which flows southward from the Arctic Ocean through Bering Strait, hugs the mainland all the way down around Kamchatka Peninsula to the Siberian Maritime provinces. Now enters the unnamed Soviet scientist, who, according to the Japanese military bulletin, has originated a plan for building a gigantic dam across this narrow and shallow strait, thus connecting Sakhalin with the mainland. But the sinister thing about this gigantic dam, is that it would divert the cold Arctic current from the Russian mainland directly down against the northern Japanese islands, including the main island whereon Tokyo is located. The effect of this would be, stated the Japanese military journalist, to transform the Russian Maritime provinces from intense frigidity during a considerable part of the year, to a moderate temperature, thus relieving Vladivostok from a scourge of ice which blocks the harbor for about four months out of each year. But poor Japan, which heretofore has been harassed by the so-called red-menace sweeping down across the plains of Manchuria, would be subjected to a much more serious Soviet-designed cataclysm. Japan simply would be frozen solid and thereby made uninhabitable for the Son of Heaven and his numerous progeny. We agree with the Japanese military spokesman at Tientsin, that the League ought to do something about this!

RENEWAL OF JAP IMMIGRATION PROPAGANDA

RECENTLY when Roy Howard, general manager of the *Scripps-Howard* newspapers and the *United Press*, visited Japan he was met on board his ship at the Yokohama breakwater by a delegation of Japanese newspapermen and one of the first questions put to Mr. Howard was concerned with the U. S. immigration law which bars Japanese laborers from admission to the United States. The Japanese always bring up this subject when interviewing prominent Americans on their arrival in Japan, hence it is of interest to note that Mr. Howard, upon his return to San Francisco was quoted as advocating a modification of the immigration law so as to extend the quota system to Japan. One of the reports referring to the Howard interview which appeared in the Tokyo *Asahi* quoted Samuel Hume, honorary secretary of the so-called "Far Eastern Relations League of California" as declaring, "By abolishing the Immigration Law, the Americans can preach justice and humanity and promote friendship with Japan." Then the official Japanese *Rengo* service followed along with another report (July 15) alleging that a movement had been started to lift the "discriminating immigration law enacted by the United States some ten years ago against the entrance of Japanese into the United States." The Japanese Consul-General at San Francisco, Mr. Wakasugi, was quoted as forecasting the introduction in the next session of the American Congress, of a bill to the foregoing effect. He stated that the movement for raising the immigration ban had originated on the Pacific coast where anti-Japanese sentiment previously prevailed, hence the present move was hailed "as a sign of the opening of a brighter road for the amicable relations of the two countries."

Before going further into the subject it should be stated that a bill for lifting the immigration ban, not only against the Japanese but also against the Chinese and residents of other Oriental countries, was introduced in Congress two or three years ago, but was withdrawn following the Japanese military adventure into Manchuria. Whether such a measure would receive favorable consideration in Congress now in view of Japan's wholesale violation of treaties in which the United States is vitally interested is extremely questionable. Undoubtedly the first question that would arise would be whether Japan would observe a new quota arrangement any better than she observed the old "gentleman's agreement" on this subject, which preceded the present exclusion law. Obviously the lifting of the exclusion law and the placing of both Japan and China on a quota basis as applied to European countries could not adversely affect the population of the U. S. Pacific coast which is now so solidly "American" as to defy even Japan's efforts at colonization, but as stated, it would be most difficult to convince Pacific coast residents particularly Californians, that Japan would act in good faith.

It was the knowledge that Japan was definitely working on a plan to colonize California that caused the native residents and land-owners of that state to rise up in righteous indignation and kick the Japanese out. The fact that the Californians now feel better toward the Japanese has been due entirely to the fact that a serious source of friction has been removed. No longer do the Californians fear that the Japanese will monopolize the best lands of their state, hence a serious source of irritation has been removed. But should Japanese under a quota basis be permitted to again send their immigrants to the Pacific coast, the probabilities are that trouble would again develop due to the difficulty or impossibility of compelling the Japanese to live up to the new arrangement. As the situation stands today the enforcement of the ban on Japanese immigration rests entirely with the United States, hence there is no necessity for depending on Japan's so-called "good faith," which usually has been found lacking when it comes to treaty observance. The thing that is now worrying the Japanese is not the right to send a few hundred immigrants in to the United States every year, but the elimination of a law which adversely affected their military and naval prestige. The United States had tried for many years to induce the Japanese Government to restrict the immigration of Japanese subjects into the Pacific coast states, one of the arrangements being known as the "gentleman's agreement" whereby Japan promised to enforce such restriction. But the Californians shortly discovered that the Japanese were using all kinds of subterfuges to get around the agreement, hence the U. S. Federal Government finally was compelled to take drastic action and definitely barred the Japanese out. On this occasion the Japanese military leaders were up against a stronger power, hence they were compelled to submit, but they did so with obvious bad grace—which explains the constant propaganda against the exclusion act. Should the United States ever decide to lift the immigration ban and place the Japanese on a quota basis similar to the practice with respect to European nations, Congress should obviously extend similar priveleges to the Chinese and other citizens of Oriental nations which are affected by the same law. But this would arouse no enthusiasm in Tokyo because the Japanese do not like to be classed with the Chinese, Siamese, East Indians and other Far Easterners. What they would like to see would be a lifting of the ban against the Japanese alone, while others continued to be barred out.

The Mysterious Dairen Conference and Some of Its Results

ON July 4 three Chinese delegates, Lei Shou-yung, Yin Tung and Hsueh Chih-hang, representing the Peiping Political and Military Councils, signed a mysterious agreement with representatives of the Imperial Japanese Army and the Manchukuo Government, the terms of which have not as yet been made public. The agreement on the Japanese side was signed by a Colonel Kita, representing the Japanese Kwantung army; Kan To, representing Manchukuo and Gen. Li Chi-chun, a Chinese bandit leader who commanded the so-called Manchukuo irregulars who cooperated with the Japanese in the drive south of the Great Wall which resulted in the defeat of the Chinese regular forces. The negotiations culminating in the agreement were conducted in Dairen located within the Japanese leased zone in South Manchuria.

On July 12, eight days following the signing of the agreement, the official Japanese *Rengo* service released from Dairen a story telling of the mysterious theft of important documents dealing with the Dairen conference. The facts about the incident had been suppressed by the police, but the report released on July 12 stated that a Japanese fisherman had found a parcel of documents wrapped in wax-paper floating in the sea. He took the parcel to the police who identified the documents as pertaining to the Dairen conference. It seems they had been stolen from a room in the Ryoko hotel where the Sino-Japanese meeting had been held. The police at first suspected "international" spies, but later concluded the parcel had been stolen by a thief in search of money as some 200 yen was also reported missing from the hotel room. The documents apparently belonged to a Japanese named Katsuo Furuyama, an employe of the South Manchuria Railway who also occupies an advisory position with the Japanese-controlled Mukden-Shanhaikwan railway, formerly the Peiping-Mukden railway which the Japanese seized following their occupation of Manchuria late in 1931.

With reference to the agreement which was signed at Dairen on July 4, the actual terms of which never have been disclosed, the following in-

teresting report bearing on the subject was received by *The Review* from a correspondent in Peiping this week:

"The pervading atmosphere of optimism which set in here following the conclusion of the Tangku truce no longer obtains, now that difficulty dogs every step taken towards the return of normal conditions. On the one hand the impression is daily gaining ground that the farce of the armistice will be dearly paid for anyway; on the other the Chahar deadlock gives local authorities ample cause for grave anxiety. And these notwithstanding inspired reports which either exaggerate the progress made at the negotiations or simply refuse to dispense with hope however dim it may be.

"First in importance in the public eyes was the Dairen Conference. The Chinese delegates to the conference included Messrs. Lei Shou-yung, Yin Tung and Hsueh Chih-hang, while the Japanese-"Manchukuo" side was represented by Colonel Kita, Mr. Kan To and General Li Chi-chun. Pourparlers began on July 2, but their results were submitted to the formal plenary meeting on July 4.

"In regard to the nature of the conference, the Political and Military Councils at Peiiping emphatically denied the report that the Dairen negotiations constituted a second Tangku Conference, or were preparatory to such an one. They insisted that the matters touched upon are purely procedural. According to Chinese news agencies, the Chinese delegates were confident of an early settlement of the question of "Manchukuo irregulars," of whom 5000, or at most 8000, are to be reorganized into a special "armed police" force, the rest to be disbanded. The incorporation process will probably be carried out on the spot, i.e., where these renegade troops are now quartered; but they may be transferred westward to the districts around Paoti for future training. As a protest against the presence of these "persona non grata" in the evacuated area, the leading citizens of half of the 19 hsien in that area recently petitioned the Peiping Branch Military Council opposing the incorporation of the "irregulars" in the national army.

"This news is depressing enough. Messages from Japanese sources, however, carry more startling revelations. What the Japanese pressed at the Dairen Conference may be summed up as follows: (1) Japan to maintain armed "observation" units in the demilitarized zone; (2) Generals Li Chi-chun and Shih Yu-san to garrison the districts eventually evacuated by the Japanese; and (3) through traffic along P. M. Railway to be resumed on condition that the "Manchukuo" Feng-shan Railway authorities be given a hand in the matter.

"In connexion with the last demand, it may be said that but for the complaint of the British interests in Kailan Mines and the impatience of foreign community with further cutting-off from Peitaiho, the Japanese would have preferred inaction. However, they were aware of the folly of unnecessary ill-will and so agreed on July 3 to the dispatch, by the P.M.R., of a military train on an "exploration" trip to Tangshan. If no other hitch occurs, it is expected that regular passenger traffic between Tientsin and Tangshan will be resumed by July 7. But the extension of train service to Chinwangtao will not be conceded by the Japanese without a consideration which is freely hinted to be the "Manchukuo" participation in the management of the section of P.M.R. east of Tangshan."

Owing to the opposition which has been raised throughout the country to the Dairen agreement and the suspicion that it contains further secret clauses pertaining to the recognition of the independence of Manchukuo, little has as yet been done to put the announced terms into effect. A *Reuter* report from Peiping dated July 17 stated that seventeen subordinate commanders of the Manchukuo bandit chieftain Li Chi-chun were also dissatisfied with terms of the Dairen agreement and had refused to concentrate their troops at Tangshan for "reorganization." A further report in the *Shun Pao* (July 16) stated that another rebel Chinese commander, Shih Yu-shan also was dissatisfied with the arrangement and was creating disturbances in the vicinity of Chinwangtao. Since both these areas are located well within the district which is now controlled by the Japanese army it is obvious that these Japanese puppets could not be creating disturbances without the connivance of the Japanese, who apparently would prefer seeing the present situation continue indefinitely. The latest on the subject was a *Kuomin* report from Peiping on July 17 stating that four measures had been decided upon for the reorganization of the Manchukuo irregulars,

(1). The "Manchukuo" irregulars will be organized into one Corps to be composed of six companies of 500 men each. There will be a special affairs corps of 1,000 men. The reorganized units will be stationed at points north of Luanchow and south of Tsienan and Fengju.

(2). The disbanded soldiers will be given $20 each and repatriated. Those with rifles will, however, be given $50 each. The disbandment expenses will amount to $300,000 altogether.

(3). Cheng Yen-hou and Pan Yu-kuei will be appointed Commanders of the two corps. The "official" in the war zone will be dismissed after reorganization.

(4). The 1,000 units under Shih Yu-san at Chinwangtao will be disposed of after conferring with the Japanese military authorities in Tientsin.

Although the *Kuomin* report stated that only 4,000 of the Manchukuo irregulars are to be incorporated into the central government's forces which will be assigned the duty of policing the neutral zone, reports which have appeared in the Chinese newspapers have mentioned a much larger number. One report which appeared in the *Shun Pao* on July 16 stated the number would be 6,000, while other reports have mentioned 8,000. A report in the *China Times* on July 14 stated the entire police force to be stationed in the area would total some 10,000, of which number 4,000 would be Manchukuo irregulars. In view of the confusion which exists on the subject, it appears that the Chinese authorities actually do not know just how many Manchukuo troops will be assigned to the territory. Another disconcerting phase of the situation is that the Nanking Government will be compelled to put up the funds for the disbandment of the Manchukuo irregulars which will not be incorporated in the peace preservation corps.

The significant element in the Dairen agreement, which actually was a hang-over from the Tangku truce arrangement signed on May 31, is that the Japanese militarists have so manipulated the situation that a sort of "twilight" zone has been created between China proper and Manchukuo which contains no definite line of demarcation. In other words the Chinese authorities have been compelled to withdraw their armed forces south of a definite line which stretches from the sea at a point just north of Tientsin and extending westward to the environs of Peiping and then northward to the east of Kalgan. The Japanese agreed in the Tangku truce arrangement that the extensive area north of this line and extending to the Great Wall should be policed by the Chinese, but they since have so manipulated the situation through the subterfuge of the so-called Manchukuo irregulars, as to give the Imperial Japanese army power (through its control over the irregulars) of actual control over the so-called "neutral" zone amounting to some 5,000 square

miles. The Japanese will maintain their own garrisons at certain points within this zone, but the actual "administering" will be manipulated by the Japanese army through its puppets. The practical effect of this has been to create, as stated, a sort of "twilight" zone which shades off from Chinese controlled Peiping and Tientsin to Japanese controlled Manchukuo. In other words it will be impossible to determine just where Chinese authority ends and Japanese authority begins, which is an ideal situation for the Japanese in that it will compel the Chinese to deal directly with Manchukuo through Chinese puppets who are subject to Japanese military orders. The legalization of this situation can mean nothing more nor less than the actual Chinese recognition of Manchukuo, despite the fact that Nanking officialdom has insisted all along that there never would be a recognition of the independence of the Japanese puppet state.

Sometime ago General Araki, Tokyo war-minister, declared if Japan could not compel the National Government to recognize Manchukuo, the Japanese would content themselves for the present with a "regional" recognition. This apparently is what has resulted from the Dairen Conference. Now the Japanese are beginning to talk about a "new deal" with China which would involve not only a recognition of Manchukuo but an "economic compromise" between Japan, China and Manchukuo. According to a recent report in the *Shun Pao* this compromise would include the following points,

"1.—That an alliance should be concluded between China, Japan and Manchukuo in order to establish a military, political and economic bloc in the Far East.

"2.—That a defensive alliance should be concluded between China and Japan, Japan agreeing to undertake the task of suppressing bandits and communists in China as well as to give moral and material support to the Chinese Central Government.

"3.—That Japan should not tolerate any interference of a third Power in her Asiatic policy.

"4.—That a commission should be established to settle all outstanding problems between China and Japan, notably the tariff question, the conclusion of a new commercial treaty, the Nishihara Loans, Extraterritoriality and the Communist suppression movement.

"5.—That with the conclusion of an economic alliance between China and Japan, Japan should be willing to supply loans to China and cotton goods, machinery and other materials in exchange for iron and coal, so as to make the Far Eastern countries self-supporting.

A few months ago no intelligent patriotic Chinese would have considered such a deal as within the realm of possibilities, but considered in the light of recent developments in the north there is a likelihood of the entire Japanese program becoming an actuality. In other words the long-planned Japanese scheme for the subjugation of China, using Manchuria as a base of operations, seems to be rapidly progressing toward fruition. Which probably explains why certain Nationalist leaders in the north recently have become afflicted with mysterious illnesses. Apparently they are beginning to realize they have become addicts of what the *Shun Pao* recently termed "Japanese sugar-coated poison."

Recently there were two incidents graphically illustrating the effectiveness of Japan's "iron-hand" in dealings with China. At Tientsin the Chinese military authorities arrested a notorious gangster who had been terrorizing the Chinese native city, operating from a base in the Japanese concession. The Chinese authorities were compelled to release the Chinese gangster upon the demand of the Japanese Consul-General. The other incident occurred at Nanking the Chinese National Capital where the Japanese consular police kidnapped and removed from the Chinese city a well-known Korean who was a Chinese naturalized citizen. The Chinese authorities made no protest in either case.

Marshal Feng Yu-Hsiang Captures Dolonor--- Mongolian Mystery Deepens

MARSHAL Feng Yu-hsiang has captured Dolonor (Tolun or Tolunoerh), strategic position commanding the chief mountain pass leading from Jehol province into Chahar. Dolonor is about 150 miles northeast of Kalgan, which is Feng's base of operations and about 200 miles directly north of Peiping where the National Government's troops are based. Aside from its strategic position on the Jehol-Chahar border, there are other reasons for the town's importance. It is located on the ancient overland trail leading from Peiping-Kalgan to Manchuria and is only a short distance across the Gobi desert from the other important overland trail connecting Peiping-Kalgan with Ugra, the capital of Soviet-controlled Outer-Mongolia. Dolonor is one of the three chief gateways to Mongolia, the other two being Kalgan now controlled by Marshal Feng, and Hailar of North Manchuria which is now garrisoned by the Japanese army. The Imperial Japanese Army, accompanied by a mixed force of Manchukuo troops and Mongolian cavalry occupied Dolonor on April 3 during the course of the Jehol campaign and since that time has garrisoned the town as well as other places in northern Chahar.

But while the Japanese have had military control of Dolonor and a considerable portion of northern Chahar, their control has been uncertain due to the presence in that area of large numbers of Chinese troops and so-called volunteers which had retreated into the area from the Manchurian provinces and Jehol following the Japanese occupation. Among the Chinese military leaders who fled into Chahar from Jehol and the Manchurian provinces were General Tang Yu-lin, former governor of Jehol who allegedly has recently gone over to the Japanese and Gen. Liu Kwei-tang, another Jehol commander who joined the Japanese but recently deserted them to join the banner of Marshal Feng Yu-hsiang. General Liu Kwei-tang's action in deserting the Japanese and joining the forces of Feng Yu-hsiang undoubtedly facilitated Feng's occupation of northern Chahar and the walled city of Dolonor for many of the towns in the area were under General

Liu's control.

The Christian General's occupation of Dolonor took place on July 12 following a battle which began two days previously. A detailed report of the battle which was issued from Feng's headquarters in Shanghai on July 14 stated that his troops advanced on the city on the night of July 10 and attempted to scale the walls. They were repulsed by the Japanese-Manchukuo defenders using machine-guns and hand-grenades. Feng's forces lost some 540 officers and men on the first night's attack but renewed the battle the following morning. The attackers, however, were driven back on the morning of July 11 by a squadron of seven Japanese air-bombers which rained heavy explosives on the Chinese troops. More than forty Japanese bombs were dropped but due to the sandy nature of the terrain little damage was done. Marshal Feng's troops, which numbered between 8,000 and 10,000 then renewed the attack on the night of July 11 and by the early morning of July 12 succeeded in occupying the city gates. There then followed severe street fighting with heavy casualties on both sides, but the Japanese-Manchukuo defenders had used up most of their ammunition and finally withdrew back into Jehol province. Feng's commanders who were responsible for the occupation of Dolonor were Generals Chi Hung-chang, Teng Wen and Li Chung-i.

Immediately following the capture of Dolonor, Marshal Feng telegraphed General Ho Ying-chin, commander of the National Government's troops in Peiping, stating that he had accomplished his chief objective, the expulsion of the Japanese from Chahar province and Dolonor, hence he was willing to discuss compromise with General Chiang Kai-shek over the control of Chahar province. From this point the situation has become so confused as to defy analysis, the latest being reports in the Chinese newspapers on Tuesday afternoon to the effect that General Chiang Kai-shek had ordered his troops in Peiping to advance on Feng's position at Kalgan with the object of driving the Christian General out of Chahar province. Peiping reports claimed six divisions led by Generals Pang Ping-hsun, Kuan Lin-cheng and Fang Chin-chai, advancing on Kalgan, had reached a point considerably north of the Nankow pass which is about fifty miles northwest of Peiping and about half way between Peiping and Kalgan. As for Feng Yu-hsiang, despite his conciliatory telegrams broadcasted over the country, he has adopted a defiant attitude and according to reports from Peiping has constructed a strong series of trenches and fortifications south of Kalgan along the Peiping-Suiyuan railway which connects the town with Peiping. The world is thus presented with the spectacle of Chinese military leaders acting under the orders of the Central Government, but under Japanese pressure, attempting by armed force to defeat another Chinese general who professedly desires to continue the war against the Japanese.

The confusion in the situation is due to the fact that many of the commanders in the North were previously members of Marshal Feng's Kuominchun army which was defeated and broken up by General Chiang Kai-shek in 1930-1931. Prior to Feng's establishment of his headquarters at Kalgan that city and the province of Chahar were controlled by General Sung Chieh-yuan a former Feng subordinate. Sung then withdrew from Kalgan, later participating in the fighting against the Japanese in the vicinity of the Great Wall. Sung now refuses to return to Kalgan unless Feng agrees to evacuate. In the meantime another former Feng subordinate, Gen. Sun Tien-ying, who also fought the Japanese in the vicinity of the Great Wall has established himself in the district surrounding the Nankow Pass to the northwest of Peiping. Sometime ago General Chiang Kai-shek appointed Sun Tien-ying head of Chinghai (Kokonor) province which borders on Tibet, but Sun's troops have not as yet begun their long march to that frontier districts, which further complicates the situation since Chiang's Peiping troops must pass through this area in order to attack Feng at Kalgan. When Feng originally established himself at Kalgan he had only a small bodyguard of two or three thousand troops, but in recent weeks this force has been increased allegedly to an army of 80,000 to 100,000 men. This naturally has led to the suspicion that Feng's old troops are gradually returning to the Christian General's banner, which is a major reason for Chiang Kai-shek's apprehension due to the fear that Feng may shortly be in a position to assume complete control of the so-called Northwestern provinces, including Chahar, Shansi, Suiyuan and possibly the Peiping-Tientsin district of Hopei (Chihli) province.

This naturally leads to a consideration of the puzzle of Marshal Feng's financial support and his participation in the Russo-Japanese intrigue for the control of Mongolia. When Feng assumed command of the so-called "Anti-Japanese National Salvation Army," and began recruiting troops in Chahar province, the official Soviet *Tass* news agency immediately circulated telegrams from Moscow alleging that Feng was in the pay of the Japanese and that his object was to harass the frontier of Soviet-controlled Outer-Mongolia. But the Japanese immediately came back and charged that Feng was receiving Soviet financial support and was being supplied with arms and munitions from Urga, the Soviet object being to use Feng for harassing the Japanese position in Jehol and Manchuria. These contradictory charges on the part of the Japanese and Russians led the Chinese newspapers in Shanghai to conclude that Feng possibly was receiving help from both the Russians and Japanese, a further Japanese object being to prevent Chiang Kai-shek and the National Government from gaining undisputed control of north China. Further reports from Chinese sources in Peiping alleged that a powerful faction in the Japanese army was opposed to a discontinuance of the Japanese war in the north, hence they had financed Feng in order to provide provocation for further hostilities.

Aside from these cross-currents having their origins in Russian and Japan political circles, there is no questioning the fact that Feng is receiving considerable support from Chinese sources in the north as well as at Shanghai and Canton. Numerous organizations at Shanghai have endorsed Feng's anti-Japanese movement while reports from the south indicate that Can-

tonese political elements opposed to Gen. Chiang Kai-shek's control of the National Government have been sending money to the Christian General in considerable sums, one report alleging he was receiving $1,000,000 a month from this source alone. Canton strongly opposed the truce with the Japanese in the north and once had actually started an army northward through Hunan province with the object of continuing the war. This army, however, was withdrawn following the signing of the Tangku truce, following which the Cantonese military commander, General Chen Chi-tang agreed to cooperate with General Chiang Kai-shek in the anti-red campaign in southern Kiangsi province. In order to keep Gen. Chen Chi-tang loyal Gen. Chiang increased his appropriation from the Nanking treasury from $300,000 to $600,000 monthly. The result has been that Canton, while continuing its agitation against a dishonorable peace with the Japanese in the north, has on the other hand given up its agitation against General Chiang Kai-shek and is cooperating in the anti-red campaign.

What the Japanese are likely to do about Feng Yu-hsiang's occupation of Dolonor is uncertain at this time. A report from Changchun, capital of Manchukuo (*United Press* July 15) stated that Gen. Muto and the Japanese General Staff in Manchuria had decided to take drastic action against the anti-Manchukuo troops of Marshal Feng Yu-hsiang in Chahar province and that a mixed force of Japanese and Manchukuo troops numbering 20,000 had been ordered to advance on Dolonor. However, a later Japanese report from their military headquarters in Tientsin (*China Press* July 18) stated that no action had as yet been taken by the Japanese to recover Dolonor; that the Japanese were awaiting the outcome of the present negotiations between Feng and the Nanking Government's commanders in Peiping. In the meantime Marshal Feng has appointed one of his subordinate commanders, Gen. Chang Ling-wen, garrison commander at Dolonor and has circulated another telegram throughout the country further denouncing the Tangku truce agreement with the Japanese and declaring that if the Central Government does not repudiate the peace pact with the Japanese, he has no alternative "but to lead his 100,000 hungry and weary soldiers in a campaign for the recovery of the four northeastern provinces from the Japanese invaders." Feng declared further, "So long as there is one breath left in me, I will not alter this determination."

In some circles it is thought that the Japanese militarists are not moving against Feng immediately due to the fact that the situation in North Manchuria is still critical with respect to Russo-Japanese politics concerned with the negotiations over the Chinese-Eastern Railway. A further reason for the apparent Japanese inactivity is the increasing activity of the so-called Manchurian bandits who apparently are harassing the Japanese on all fronts. The Japanese militarists and politicians are working desperately to patch up their troubles with the Chinese in north China, hoping to establish peace on that front so as to enable them to strengthen their military position against Russia and at the same time prepare for their campaign into Mongolia.

Anti-Communist Campaign in Kiangsi Progresses Favorably

Acting under the instruction of General Chiang Kai-shek, troops from Kiangsi, Kwangtung, Fukien, Kwangsi, Hunan, Hupeh, Anhuei and Chekiang provinces have practically surrounded the Communist area in Southern Kiangsi. With the exception of a single detachment of Communists which has escaped to the Chekiang border, the main-body of the Communists has been completely rounded up.

General Tsai Ting-kai sent a report to the military authorities in Canton, July 18, to the effect that his troops have killed 400 Reds in a battle with them at Mokok and Sheungchuen, in west Fukien, close to the Kiangsi frontier. The communists were 1,000 strong but were eventually defeated by his troops, who are now persuing their enemy. Brig-General Chang Yen has been promoted to command the 49th Division. These troops were formed from the expeditionary units who were to have marched to North China to fight the Japanese.

A Kwangsi division under the command of Lieut-General Wang Chan-pin July 18, stormed 12 forts held by the Red forces, while three others are now being bombarded by trench mortars and one-pounders by the same forces.

The Tientsin *Ta Kung Pao* comments:—"The anti-Communist campaign in Kiangsi has been in progress for several years and has engaged the attention of more than 100,000 Government troops, yet the situation appears as hopeless of solution to-day as ever. Some may argue that the paucity of results attained so far is due either to lack of energy on the part of Government troops or to bad generalship. But generelly speaking, the Government troops are a devoted band of men who cannot be impeached or criticized on the score of courage. The same can be said of those who command them. The reason for the failure of the anti-Communist campaign, therefore, must be sought elsewhere. In our opinion, there are two reasons why the Kiangsi Communists have been able to hold out against the Government troops for so long. In the first place, they command the support of the poor peasants, who are ready to fight their battles. Second, there is a class of young radicals who have been driven to join the Communists by their dissatisfaction with existing social conditions in this country. Knowledge of these two factors should enable the public to realize the seriousness of the Communist situation in Kiangsi. The present anti-Communist campaign should be considered as a temporary expedient, while political means should be employed to eradicate the fundamental problem of communism."

The two independent brigades of the 19th Route Army, which constituted the Fukien portion of the Southwestern anti-Japanese Army, arrived at Lungyen, southwestern Fukien, July 13.

A bandit-suppression conference was held at Tayu by General Yu Han-mou, Commander of the 1st Kwangtung Army and Field-Commander of the 1st Column of the Southern Route Bandit-suppression Forces, July 20. Lieut.-Generals Li Chen-chiu, Yeh Chao and Li Han-hun, respectively Commanders of the 1st and 2nd Kwangtung Divisions and 3rd Independent Kwangtung Division, and Major-General Chen Cheng, Commander of the 2nd Independent Brigade, attended the conference.

Owing to the activities of the "Red" outlaws, several thousand refugees in the districts of Kinki, Tzuki and Lichuan, eastern Kiangsi, have fled to Fuchow (Linchuan) for safety.

Three Nance Brothers, All Doctors Locate in Shanghai

Dr. Dana Wilson Nance, who was recently graduated from Vanderbilt University with the degrees of B. S. and M. D., has arrived in Shanghai and joined the American medical firm of Dunn, Nance and Hoffman with offices in the Dollar building on Canton road. Another brother, who is specializing in children's diseases at the University of Rochester, will also return to China and join the firm within the year. Dr. W. K. Nance, the elder brother has been a message of the firm for some time as also is his wife, Dr. Doris Hoffman. The three Nance brothers are sons of Dr. and Mrs. W. B. Nance of Soochow, Dr. Nance being President Emeritus of Soochow University.

Chiang Kai-shek Will Hold Military Conference at Kuling

(From the Review's Correspondent at Hankow)

General Chiang Kai-shek is reported to be planning a large military conference at Kuling in the near future. Every day up to 60 chairs wend their way to the Hai Wei Temple, carrying important military men from their Kuling lodging to the place of meeting. Some style the affair an intensive military training course for the officers in General Chiang Kai-shek's divisions below the rank of colonel. About 1,000 officers are reported to be in attendance. Chief among the problems to be discussed will most probably be the situation *vis-a-vis* the Southwest Council and the Reds in Central China; also the Szechuen war-lords. There are representatives from Szechuen present at Kuling.

Kuling Military Training Camp

For days military officers have been arriving at the Gap, Kuling, and after a brief rest have proceeded to their destination, the newly established Kuling Military Training Camp at Hai Hui. Here in some of the wildest terrain around Kuling Generalissimo Chiang Kai-shek proposes to give all of his officers practical training for a period of two weeks or more. From information elicited from officers it appears evident that the Kuling Military Training Camp is to affect all of the officers in General Chiang Kai-shek's twenty-one divisions. The plan is to release one-third of all officers at a time for a short period of intensive training and grounding in new tactics. In all approximately 10,000 men are to be in camp at Hai Hui at a time. Among other things the officers will be given training in handling men in difficult terrain such as the mountainous districts now under "Red" control in southern Kiangsi.

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Heart-rending Scenes in Northern Szechuen

A recent message from Chungking stated that a state of anarchy exists in the cities of Kwangyuan and Tsanghsi, in Northern Szechuen, following the withdrawal of the Communists from those cities. War refugees from the Communist infested areas in Northern Szechuen are gathering at Paoning. The number runs as high as a million, mostly women and children. As means of communication are bad in Northern Szechuen, these refugees have to travel from the Red area to the south on foot. As most of the women and girls have bound feet, they are much handicapped in walking. So, all along the way from Nankiang and Tungkiang to Paoning many women and girls could be seen committing suicide by hanging themselves or by drowning.

More than a million war refugees recently passed through Chungking for Hupeh and downriver ports to get away from the heavy taxation and continued civil wars in the province. These refugees have formed a delegation to both Nanchang and Nanking to place their grievances before General Chiang Kai-shek and the Government.

The Executive Yuan received a telegram from General Liu Wen-hui Juiy 13 resigning his post of chairman of the Szechuen government. As General Liu has already evacuated Chengtu and cannot any longer exercise official functions it is a foregone conclusion that his resignation will be accepted. General Liu also has tendered his resignation as Provincial Commissioner of Civil Affairs.

In Southern Szechuen severe fighting is now raging on all fronts between General Liu Wen-huei's troops and the Allied forces under General Lin Hsiang. So far the Allied forces are maintaining the upper hand, having already captured all the cities on the left bank of the Min River. General Liu Wen-huei's troops have been withdrawn completely to the right bank of the river, where they have erected strong defence works to resist the further advance of the Allied forces. General Liu Wen-huei himself is now at Kating, where he is concentrating most of his forces.

Fighting of a severe nature was in progress during the week at Shuangliu and Wenkiang, in the vicinity of the Min River, between the Allied forces and those under General Liu Wen-huei. Both sides suffered heavy casualties. General Liu Hsiang has ordered his airplanes to bomb General Liu Wen-huei's troops along the Min River, inflicting heavy losses to the local population. Thus far neither side has gained much success.

Fresh Troubles Break Out in Sinkiang

According to a recent arrival from Sinkiang, fresh troubles have again broken out in that province as a result of General Ma Chung-yin's launching a counter-attack on Tihua from Hami.

Chiang Asks Tai Chi-tao to Proceed to Sinkiang

General Chiang Kai-shek is planning to send Tai Chi-tao, President of the Examination Yuan, to Sinkiang to attend to pacification work in that province in place of General Huang Mu-sung, who will be recalled. General Huang is being kept under close supervision by the Sinkiang authorities. *The Shun Pao* says the Government is contemplating the appointment of Generals Liu Wen-lung and ShenShih-tsai as Chairman and Defence Commissioner of Sinkiang respectively.

According to a special telegram received here from Lienchow, in Kansu, the Mohammedan commander General Ma Chung-yin, who recently created a great deal of trouble in Sinkiang and was defeated later by the provincial troops, has been assassinated at Kuchentze by a subordinate officer named "Black Eagle." General Ma's brother, Ma Chung-chien, was also killed.

Further light on the Sinkiang situation was given by Li Hua-ying, Counsellor to the Sinkiang Pacification Office, in an interview in Nanking, July 17. Mr. Li stated that when General Huang Mu-sung (Pacification Commissioner) and his retinue arrived at Tihua, provincial capital of Sinkiang, they were cordially welcomed by the Sinkiang officials and people. Soon afterwards, General Sheng Shih-tsai, Provisional Defence Commissioner for the Sinkiang Border, left Tihua to suppress the insurgents under Ma Chung-ying. In accordance with the policy of the Central Government, General Huang Mu-sung then set about his task of reassuring the people. Messrs. Tao Ming-yueh, Chen Chung and Li Siao-tien frequently visited him to exchange views on the reorganization of the Sinkiang Provincial Government. These visits, however, aroused the suspicion of General Sheng, who suddenly returned to Tihua on June 24 and had the three Sinkiang officials shot two days later. When General Sheng realized that he had misunderstood the situation, he gave a dinner to General Huang as an expression of apology.

Moscow Says Sinkiang Rebellion Center Is in Japan

Moscow *Izvestia* July 17, said it was a well-known fact that the rebellion in Sinkiang has been staged under the slogan of Mohammedan unification for struggle against the Chinese and that the Pan-Islamic circles inspiring the movement have their center in Tokyo. These circles, it is stated, publish a paper which is distributed among the Dungans. The statement was made in denial of Japanese allegations that the Soviets were fomenting trouble in Sinkiang.

Official quarters in Japan replied that there is not a single Mohammedan Japanese or Mohammedan temple in Japan, and that there are no facilities for direct communication between Japan and Chinese Turkestan.

Mr. and Mrs. Judah Ezra Ordered Deported from U. S. A.

The United States Department of Labor July 15 ordered the deportation of Judah Ezra and Mrs. Ezra as a result of Judah Ezra's opium smuggling activities, to which he recently pleaded guilty in the Federal District court in San Francisco. The deportation order will become effective in the case of Judah Ezra after he has served whatever sentence the Federal court imposes on him on September 2, but Mrs. Ezra is to leave the country immediately. It is possible Judah Ezra may be permitted to leave the country without serving a prison sentence.

Judah Ezra made a statement in San Francisco, July 18 in which he exonerated his brother Isaac in the opium-smuggling activities to which he had pleaded guilty. He named Allan Zimmerman of Shanghai as his real accomplice in the affair. The District Attorney in San Francisco states that he will attempt to extradite and prosecute Zimmerman.

Prosecutions of various Chinese in the French Concession in Shanghai, suspected of being co-conspirators with the Ezras (among them Shun Tse-nam, alias Chen Tsei-nan), have been commenced in the local courts.

Henry Pu-yi to Become King of Manchukuo?

Henry Pu Yi, formerly Emperor of China and now Chief Executive of Manchukuo, may before long have a new title: King of Manchukuo, a recent message from Changchun stated. A commission has been appointed to draft a constitution for the new State. His enthronement is expected to take place as soon as the work of drafting the constitution for the proposed kingdom has been completed.

Dr. Chao, chairman of the Manchukuo Legislative Board, is at present investigating the Japanese constitutional system, with the aid of Japanese scholars, and it appears certain that the Manchukuo system will be built up on parallel lines.

Japan to Renounce Manchuria Extrality in Two Years

A Changchun telegram July 3 stated that the Manchukuo Government has officially decided to complete all the preparations necessary for the abolition of extraterritoriality within two years from date and the renunciation of Japanese extraterritoriality within the state will occur shortly after the lapse of the two years period. As to the return of the South Manchuria Railway Zone to Manchukuo, there exist conflicting opinions.

China Levies Import Duty on 33 Kinds of Manchurian Products

The Finance Office of the Nanking Government has pecided to impose import duty on 33 kinds of Manchurian staples, industrial products and machines. Goods imported from Antung and Yingkou will be similarly taxed. An import duty of 75 per cent will be collected on all goods transported from Manchukuo to any place south of the Great Wall. Wool and woollen goods imported from Mongolia will not be taxed.

Bumper Rice Harvest in Manchuria This Year

The harvest of paddy rice in Manchuria is expected to show 20 per cent more this year than in average normal years. There are 245,000 acres of paddy fields in Chientao along the banks of the Liao river, in Tungpientao, Kirin and in the vicinity of Harbin. It is estimated, that the rice crop will be about ten bushels per cho or the total of about 9,920,000 bushels. This will be equivalent to about 4,960,000 bushels of thrashed rice.

Manchukuo to Raise Duty on Wheat

A Changchun message July 12 stated that the import duty on wheat flour is to be raised by Manchukuo in the hope of protecting domestic flour milling. The industry at present is on the verge of collapse, as there have been annual decreases in local wheat cultivation. This has resulted in increased importations of wheat and flour. The Manchukuo government hopes to resuscitate the industry by protecting it with a higher tariff.

Passenger air service linking Changchun and the Manchuria-Korea border by way of Kirin and Tunhua was inaugurated July 3 to supplement the recently opened Tunhua-Tumenkiang Railway service.

A.H.E. Edwardes, former inspector general of the Chinese maritime customs and now adviser to Manchukuo, departed from Yokohama last week for England where "he will present Manchukuo's case before the British public."

The three new river gun-boats, which will be added to Manchukuo River Defence Fleet, were launched in Harbin, July 12.

Manchukuo Privy Councillor Resigns

Tokuzo Komai, a member of the Privy Council of the Manchukuo Government, who until last October was the Director of the General State Council and who played a leading part in the birth and organisation of the new State, announced his resignation at Changchun July 11.

Now that Manchukuo is firmly on its own foot Mr. Komai stated, his cherished dreams have been realised and there was no longer any need for him to remain in office. His poor health also compelled him to retire from active public service, he added.

Soviets See Eventual Seizure of C. E. R. by Manchukuo

The Japanese press in Harbin is engaged in spreading rumors forecasting the inevitable failure of the negotiations now preceeding in Tokyo for the sale of the Chinese Eastern Railway to Manchukuo. The Japanese press declares that Manchukuo is completely indifferent to the outcome of the Tokyo parleys and recommends the Japanese government to refuse to act as mediator. At the same time, Soviet telegrams state unilateral actions by the Manchukuo authorities, directed toward the seizure of the C.E.R. in the near future, are foreshadowed.

The Soviet ambassador in Tokyo July 18 suggested to Count Uchida that it was opportune for Japan to mediate in the C.E.R. matter. In reply, Count Uchida expressed the opinion that there was still room for discussion between the Soviet and Manchukuo and that he thought it necessary for the two countries to continue direct negotiations. He said that the time had not yet come for Japan to mediate, but "she would be willing to assist when necessary."

In the meantune there is talk of the conclusion of a commercial treaty between Soviet Russia and Japan. It is understood that the Japanese Government is prepared to enter into negotiations with the Soviets for the conclusion of a commercial treaty if it is formally proposed by Soviet Russia, but it is emphasized that the commercial treaty must aid trade between the two countries, not hinder it.

The Soviet organ *Izvestia* July 18 declared there would be no point in wasting further time on a discussion of the Soviets rights of ownership in the C.E.R., which, it contends, is absolutely and indisputably founded both historically and documentarily. Further discussion around this question would only hamper the progress of the business negotiations in Tokyo, *Izvestia* said.

Impending Dismissal of Russia Employees Seen

According to the *Harbin Times*, Li Shao-keng, the chairman of the administrative board of the Chinese Eastern Railway, has received instructions from the Ministry of Communications at Changchun to remove all C.E.R. Soviet officials if they continue to maintain their previous sabotage policy. This attitude of Soviet officials, it is added, has resulted in losses for the C.E.R. and has prevented essential reforms.

According to an estimate appearing in a Harbin newspaper no less than 25.000 people, including employees and their families, would be affected should the C.E.R. change hands. Most of them are Soviet citizens and will probably be deported to Russia although it is surmised that, if given the option of making a choice, the majority would decide to remain in Manchuria.

The attempts to obtain an exchange of freight cars between the Ussuri Railway and the Chinese Eastern Railway at Pogranitchnaya appear fruitless, a recent *Reuter* message from Moscow stated.

The motive of the Japan-Manchukuo authorities in suspending through freight traffic between the Chinese Eastern and Ussuri railways (a recent Soviet message from Moscow stated) was to secure a diversion of international freights to the South Manchuria Railway and the port of Dairen.

Two Manchukuo frontier policemen are alleged to have been fired upon by Ogpu agents in Soviet territory, while patrolling the frontier near Pogranitchnaya July 13. One policeman was slightly wounded. The Manchukuo police force is now investigating the affair.

A committee representing all the White Russian organizations in Harbin recently sent petitions to the Japanese Consulate, the Japanese Military Mission, the Japanese Gendarmery and the Manchukuo Foreign Ministry soliciting the protection and release of the 10 White Russian emigres who were captured by Soviet Frontier guards from the Manchukuo steamer *Tungsang*.

Anti-Communist Campaign in Kwangtung

Lieut.-General Li Han-yun, has been appointed executive officer of the first anti-Communist detachment and his division in the northern districts of Kwangtung is being sent to fight the Reds. The head of the first anti-communist detachment is General Yu Han-mou, commander of the first Kwangtung army, who arrived at his headquarters in Tayu July 15.

Japan's Trade with Manchuria Shows Great Increase

The customs returns of Manchukuo for the first quarter of the present year show that the countries which have bought the largest quantity of Manchurian products, (soy beans and other grain) are Asiatic, namely—Japan, China and the Soviet Russia, the total amount of their imports being U.S. $12,200,000. Germany and France both increased their purchases in Manchuria while all other countries showed considerable decreases. In imports excepting goods from Belgium and Holland there has been a very large fall as regards European and American countries, but owing to Japanese relations with Manchuria the imports from that country have increased very considerably and show a sum of U.S. $8,000,000 against the first three months of last year. Bean cakes export showed a decrease of fully 60 per cent., and kaoliang of 74 per cent. Against the fall in exports of bean cakes and bean oil must be put an increase of soy beans.

Wheat flour was brought in through Japanese and Chinese ports as well as direct to Manchurian ports from the places of origin such as America, Australia and Canada. Cotton manufactures, as they always have been, were imported principally from Japan and China, while oil was almost entirely imported from the U.S.A. and Soviet Russia. China had a fair share in the import trade of Manchuria, but American, European and Australian houses participated in the imports to a very small extent.

The value of Manchukuo's imports from America, during February of the present year, ranked first in amount of all countries, excepting Japan and China, according to a recent official statement issued at Changchun.

China's Trade Shows Considerable Decrease

The monthly return of the Foreign Trade of China for May, 1933, shows that there has been a considerable falling off of imports and exports for the first five months of the year as compared with the similar period for last year. Net imports and exports for this year, up to the end of May totalled $907,272,328, as against $1,170,392,338, a falling off of $263,120,010 equivalent to 22.5 per cent. Net imports amounted to $661,009,199, which is $131,503,809 less than the total for 1932, or a decrease of 16.6 per cent.

Japanese and Russian Fishing Interests Clash in Kamchatka Waters

Climaxing a series of clashes between Japanese and Russian fishing interests in the northern seas, the Japanese floating crab cannery *Kotohira Maru*, was seized by a Soviet trawler July 9, according to a report received by the Nichiro Fishery Company in Tokyo. The ships are attached to the Taiheiyo Fisher Company, which is controlled by the Tokyo concern. The *Kotohira* Maru, with another floating cannery, the *Yawata Maru*, was crab fishing in Soviet territorial waters near Cape Ala northeast of Spoon Island off Petropavolovsk, Kamchatka, when the Russian trawler, displaying weapons, appeared on the scene and threw tow lines abroad. The *Yawata Maru* escaped, but the *Kotohira Maru*, was taken to Petropavolovsk. A Japanese torpedo destroyer started in pursuit of the trawler but was unable to overtake it.

The news created a sensation among Japanese fishing companies, coming in the wake of information that two Soviet fishing vessels had been interned at Hakodate by Japanese officials, and as an aftermath of the recent peaceful settlement between Tokyo and Moscow of the killing of three Japanese fishermen in Kamchatka by Soviet guards.

The Soviet steamer *Snapjenetz*, 4,760 tons, and a 27-ton motor ship, recently seized by a Japanese police force dispatched by the Hokkaido Government in the North Kuriles on the suspicion of having surveyed the Kurile coast, was taken to Nemuro, Hokkaido, by the patrol ship *Shunko Maru*, of the Ministry of Agriculture and Forestry, July 9.

The captain of the *Snapjenetz* and several members of the crew of 160 were taken to the Nemuro police station and subjected to a rigorous examination.

Japanese to Establish Legation in Afghanistan

The Japanese Foreign Office is contemplating the establishment of Legation in Afghanistan and is considering the inclusion of necessary appropriations for this purpose in the next fiscal year's Ministrial draft budget to be shortly submitted to the Finance Minister.

U. S. Takes Steps For Recognition of Soviet Russia

What is believed to be the first move of the Roosevelt Administration to obtain first-hand information on which consideration of resumption of relations with Russia will be based, was taken July 5 when Laurence A. Steinhardt, Minister to Sweden, was instructed to stucy the situation. It was understood in Washington that the President believed Sweden would be the most advantageous point from which to study Russian trade and political matters. The instructions to Mr. Steinhardt followed recent preparatory talks between Russian and American delegates to the World Economic Conference at London.

It was also understood that the Legation in Stockholm was chosen to conduct the investigation for the President because there are few outstanding diplomatic questions between the United States and Sweden. The Legation will thus have ample time to do the work without employing a Staff of assistants.

American Industrialist Urges Recognition of Soviets

Mr. Cooper, Chairman of U.S.-Soviet Chamber of Commerce, who has designed a large electric plant in Soviet Russia, recently made a statement in the New York *Times*, advocating that prompt recognition be accorded to the Soviet Government by the United States.

Simpson Case Is Mentioned in House of Commons

The case of Lenox Simpson, whom the authorities at Harbin demanded should be deported because of his connection with a Communist newspaper, was raised again in the House of Commons July 12. George Lansbury, leader of the Opposition, stated that the House had not been informed that the Japanese authorities had convinced the British consul-general at Harbin, Mr. Garstin, that Mr. Simpson had been guilty of any offense. Therefore, was it not the British Government's duty to discover why a British citizen had been dealt with as was known without the disclosure of any charge to the consul?

White Russian Influence in Harbin Police Matters

White Russians appear to be playing a big role in the Harbin Police Administration, a correspondent in a recent issue of the *Japan Chronicle* stated. Among other things he said: "The Manchukuo authorities should lose no time making a clean sweep of the White Russians now in the employ of the Harbin Police Administration, with the exception of the police constables who have no authority in their hands and merely follow police regulations. Most of the Russians have been kept on from the Chang Hsueh-liang regime, and owing to their past experience they are well versed in malpractices existent during the Mukden time, and continue them as much as possible. There are numbers of Manchurians available who have a sound knowledge of the Russian language as well as Japanese and Koreans, so that the positions which White Russians are now holding can be easily filled and in a much more satisfactory manner as far as foreign residents are concerned. Particularly bad is the police censorship over mail-matter and the local Press, for here again the actual work is in the hands of White Russians, who pretty well do as they like without their chiefs being any the wiser."

Japanese Charge Nanking Subsidizing "Certain" Foreign News Agency

The July 14 issue of the bulletin issued by the Japanese Military Information Bureau at Tientsin alleged that the National Government had subsidized to the extent of $3,000 monthly a "certain" foreign news agency, the name of which was not given in the report. In exchange for the payment the foreign news agency was to supply the *Central News Agency* at Nanking with copies of all its messages and according to the Japanese allegation was to delete all messages considered unfavorable to Chinese interests. It also was alleged the foreign news service had agreed to distribute Chinese "propaganda" reports in foreign countries. The Japanese report concluded with the statement, "The Nanking Government now has one more foreign news agency to work for them."

Japanese Naval Budget Over Half a Billion

The budget of the Japanese Navy for the next fiscal year will exceed Yen 560,000,000, including the expense for the second naval replenishment plan, it was authoritatively stated in Tokyo, July 15. At the budget conference of the Navy Ministry, held last week at the official residence of the Navy Minister, Admiral Mineo Ohsumi, the principles for the budget were adopted though the details were left undecided.

According to the decision of the naval leaders, pending the approval of the Finance Office, the running expense of the Navy Office will be around Yen 450,000,000 next year as compared with Yen 370,000,000 for the present fiscal year. The expense for the second replenishing plan of the Navy will be discussed separately. The decision of the budget conference will be submitted shortly to the Finance Ministry together with the budget for the replenishing plan with the approval of the Navy Minister.

The second complementary plan, which will cost the Navy about Yen 501,780,000, will include the building of two 8,500-ton light cruisers, two 10,000-ton aircraft-carriers, fourteen 1,400-ton destroyers, six submarines and many smaller vessels besides eight air squadrons. This plan, according to naval leaders, will be completed before 1937 at latest.

War Party Insists On Full Control of Iron Industry

There are some differences between the Department of Commerce and Industry and the War and the Navy Departments as to how to legislate for supervision of the affairs of the Japan Iron Manufacturing Company by the military and naval authorities, conjointly with the Department of Commerce and Industry. The military and naval authorities contend that because the iron industry is of great importance to national defence and because ups and downs in the fortunes of the industry due to changes in the economic situation threaten to affect the vital interests of national defence, they must put forth special endeavors towards the enactment of the Iron Manufacturing Company Law, even to the eident of putting the Yawata Iron works into the merger. They, therefore, claim that it should be definitely provided in the Imperial Ordinance that the Minister of Commerce and Industry should confer with the War Minister and the Minister of the Navy when applications have been filed by the Company for sanction in respect of new business schemes or important changes in its business program and other important matters in connection with the management of the Company's affairs.

A new trade policy has been formulated by the Japanese Ministry of Commerce and Industry. The New program will inaugurate export control for those countries which complain of the too cheap prices of Japanese goods by imposing export duties and enforcing the system of marks of origin.

The foreign trade of Japan during the first 10 days of July showed an unfavorable trade balance of Yen 3,002 000 with the total imports at Yen 45,950,000 and exports at Yen 42,948,000, according to figures compiled by the Finance Ministry. The trade since January 1, 1933 still remains unfavorable for Japan to the amount of Yen 189,470,000.

Financial leaders of Japan have decided to change the currency policy, allowing a certain measure of inflation, For more than a year the Bank of Japan has been refusing to be stampeded into inflation, selling its bond holdings from time to time in order to prevent the money market from becoming too relaxed under the influence of superabundant supplies of currency. Now, however, the Bank will make a definite endeavor to raise domestic prices, as an aid to national economic rehabilitation.

The failure in the London Economic Conference has impelled the Tokyo Ministries of Foreign Affairs and Commerce and Industry to hurry up their plans for regulating Japan's export. Japanese exporters are paying particular attention to South America.

The Toyo Cotton Spinning Co., Ltd. recently made the fourth contract for the purchase of 1,700 bales of Turkish raw cotton, to an amount of more than Yen 200,000 through the Japanese-Turkish Association.

Bribery in High Places in Kyoto

The ban was lifted July 7 concerning the arrest of some 150 Kyoto men on charges of bribery and other corruption. It began with the arrest by the police in March of Asazo Tabuchi, chief of the Purchase Section of the Electric Bureau, on information that there appeared to have been illicit transactions between him and municipal contractors. Preliminary examination has been concluded, and of the 150 arrested, 66 have been indicted formally, including two memberfs of the Diet, a city assemblyman, and the vice-chairman of the Chamber of Commerce and Industry. The inception of the case dates back to the signing of a contract for the municipal road reconstruction between the Municipality and the Japan Petroleum Company, which took place eight years ago, in which Mr. Suzuki on of the arrested Diet members, is alleged to have acted as a middlsman for bribes, which, since that time and continuing up to April this year, have amounted to over Yen 100,000.

Following the arrests which were made in Tokyo early last week, the Metropolitan Police claim to have found a number of tins of benzine stored away in a hiding place, together with quantities of inflammatory handbills, banners and other incriminating evidence.

Investigations are proceeding jointly under the Ministry of Foreign Affairs and the Gendarmerie Headquarters concerning the reported arrest of a Korean revolutionary, Wen Po-lun, by Japanese consular police in Nanking recently. Wen was visited by two agents of the Japanese Consulate on Sunday. He was then taken into custody and three trunks belonging to him were detained. Next day two Japanese again came to his house and attempted to remove the rest of his belongings but the landlord intervened and informed the police, who succeeded in frustrating the Japanese plans.

Booklets on "Emergency" are Given to Japanese Students

In an effort to bring the rising youth of Japan to realize the full significance of the present national emergncy, 100,000 copies of an official pamphlet entitled The People's Determination to Cope With The Emergency have been distributed among students of middle schools in Tokyo and members of other educational organizations by the Education Ministry. The action, according to *Rengo*, is part of a campaign started by the Ministry immediately after Japan's withdrawal from the League of Nations to prepare young Japanese men and women for the new situation.

Reservists Told to Remove Swords to Vote

A new case of injured army dignity has arisen in Okayama, Okayama Prefecture. At an election to designate members of the city assembly the two army men, namely Kunizo Omura, a reserve lieutenant and Kamekichi Yamada, reserve corporal, presented themselves at the polls to cast their ballot. Both wore uniforms and both wore swords. Officials at the polling place requested them to remove their swords before entering. The two reservists bristled and demanded why. A soldier is permitted to wear his sword in the presence of the Emperor; why must he remove it to vote? Were swords to be insulted? or, worse yet, the wearers of swords? Such an attitude on the part of city officials was enough to make anyone indignant, they said. The reservists abstained from voting rather than being willing to remove their swords.

Nearly two and one quarter billion yen is the next fiscal year's budget for the general acoounts of the Japanese Government as roughly estimated by the Bureau of the Ministry of Finance, according to a *Nippon Dempo* report. The sum is estimated for the year 1934-35, and compares with the 1933-34 figure of Yen 2,309,414,000.

According to an arrival from Tsinan, quoted in a despatch in the *Peiping Morning Post*, the Shantung Provincial Government has received a telegram from the magistrate of Penglai, a city on the sea-coast, saying that the Japanese plan to seize Changshan Island, on the pretext that it belongs to Manchukuo. Formerly a pirates lair, it is now a fishing center.

Seven representatives of Japanese silk industrialists, are due to leave Yokohama for America July 25 in order to boost the Japanese silk industry. It is reported that they are carrying thousands of silk flags of the United States and about 10,000 copies of pamphlets for propaganda purpose.

Mussolini Gives State Banquet to T. V. Soong

Signor Mussolini in Rome July 13 personally presented to T. V. Soong, Chinese Minister of Finance, with the insignia of the Grand Cross of the Order of St. Maurice Lazarus, which was bestowed on him by the King. Later, the Italian Premier and Mr. Soong had a long and cordial conversation.

Premier Mussolini gave a state banquet in Rome July 16 in honor of T. V. Soong, China's minister of finance. Eighty guests including all important Italian Government officials such as Signor Guido Jung, minister of finance, Dr. de Francis, minister of justice, Signor Suvich, minister of foreign affairs, and Signor Bodrero, president of the Chamber of Deputies, were present. Il Duce delivered a speech on behalf of the Italian Government welcoming Mr. Soong. Emphasizing that China was the pioneer of Eastern civilization and Italy of Western civilization, he pointed out that, through one Italian (Marco Polo) the two civilizations had met. In view of the historical friendship of the two nations the experience of the rebirth of Italy was at China's disposal, Il Duce said.

Mr. Soong, replying, said that the historic and cultural relations of Italy and China was a most gratifying fact. More important still, is the lesson of Italy under the unswerving leadership of Il Duce, rising in a decade to a forefront position in world affairs, securing domestic harmony in reconstructive activities and commanding respect abroad. Italy's experience, Mr. Soong added, was most heartening to China which also is regarded as having an ancient culture but suffering from age-old decadence. With similar willingness to sacrifice and united effort, the Chinese people may also regain their rightful place in the sun.

British Bondholders Call on T. V. Soong

Representatives of Chinese bondholders in Great Britain called on T. V. Soong, Nanking minister of finance, in London recently and explained to him the views of China's British creditors.

Mr. Soong assured the visiting committee that he was determined to place Chinese finances on a sane, solid basis and his major concern would be the settlement of all loans which at the moment are in a state of default. It is the aim of the present Chinese government, he said, to arrive as soon as possible at a settlement of all outanding claims against it.

Mahatma Gandhi Refused Interview by Lord Willingdon

The National Congress of India by a large majority last week voted for calling off the civil disobedience campaign, but Mahatma Gandhi by a clever maneuver flouted the wishes of the majority and announced that he will resume individual civil disobedience on August 1. The Indian Government will probably once more imprisons him if he carries out his threat.

A split among the leaders of the Indian National Congress over the question of civil disobedience is threatened. This possibility has cropped up following the exchange of correspondence between the Viceroy, Lord Willingdon, and the Indian Nationalist leader, M. K. Gandhi, in which the former refused the latter an interview.

Sir Samuel Hoare said in the House of Common July 17 there could be no question of making a bargain with Congress as a condition to their accepting the ordinary obligations of law-abiding citizens. A government spokesman announced in the House of Commons July 18 that he hoped it would be possible to make a statement on the subject of the Anglo-Japanese trade negotiations before the Parliamentary vacation.

Japanese Say Indian Negotiations Have Reached Vicious Circle

It was stated in Tokyo July 17 that the negotiations for a trade agreement between India and Japan have reached a vicious circle. Britain, it is said, has not replied to the Japanese note requesting that full powers should be granted to the Indian delegates in the proposed conference at Simla and therefore Japan has not replied to the Indian note inviting her to the projected Simla conference.

Upon receipt of a cable message from the East India Cotton Merchants' Association, asking reconsideration of the decision by the Japanese cotton merchants to boycott Indian raw cotton, the Amalgamated Association of Japanese Cottonspinners July 11 cabled a reply to the East India Cotton Merchants' Association, pointing out that the Japanese measure was unavoidable in the face of the sudden abolition of the commercial treaty by the Indian Government, which caused a deadly blow to Japan's cotton weaving industry.

Commercial Aviation to Be Developed in Kwangtung

To promote commerical aviation in the province of Kwangtung, General Chen Chi-tang, the Cantonese commander-in-chief, has given orders that beginning from the coming autumn the school of aviation attached to the air force corps shall offer courses in commerical aviation. Brigadier-General Hu Han-hsien, head of the aviation school, is preparing a curriculum of courses on commercial flying, and students will be enrolled in the autumn.

The second airplane (*Kiangying*) made by the Bureau of Aeronautics of the Naval Ministry at Amoy was scheduled to make its maiden flight to Foochow, Wenchow and Nanking July 20.

The formal inauguration of the Shanghai-Canton air service has been unavoidably postponed as a result of fresh misunderstandings arising between the Chinese and American directors of the Company.

The Aviation Administration of the Ministry of War is preparing a scheme of training the people in aerial defence, and for this purpose has decided to create an Aerial Defence Committee to undertake the work.

Chinese residents in the Dutch East Indies have decided to contribute an airplane to the Hangchow Flying School.

The new airplane landing field at Hsining, provincial capital of Kokonor, has been completed, according to a report received in Nanking from General Ma Lin, Chairman of the Kokonor Provincial Government.

Tseng Yi-chin, Director of the Chinese Seaplane Factory, who left Shanghai recently for a long distance flight to Hunan on his seaplane *Kiang Feng*, returned to Shanghai last week with his seaplane by boat. The plane was slightly damaged when landing at Hankow because of the swift current of the Yangtsze.

The Eurasia Aviation Company's planes on the Northwestern run leave Shanghai at 6 a.m., commencing July 17.

"Tien Chu" Crashes at Hungjao

The *Tien Chu* army plane donated by the Tien Chu Manufacturing Company, which was scheduled to be dedicated July 16 was damaged in the course of a trial flight and ceremonies at the Hungjao Airdrome have been indefinitely postponed.

Italian Air Armada Flies to Chicago

The Italian air armada, commanded by General Balbo, completed the most hazardous section of their flight to the Century of Progress Fair at Chicago July 12 when the expedition landed safely at Cartwright, Labrador. General Balbo's armada of airplanes landed safely in Chicago July 5. When the Italian armada entered the United States it was met by 40 United States pursuit planes. General Balbo himself was the first off from Montreal and he carried as a passenger Signor Rosso, the Italian Ambassador to the United States, who went to Montreal to welcome the airmen. The total flying time for the 6,065 miles from Orbetello to Chicago was 47 ½ hours. The armada has in the meantime started on the return flight to Italy.

Wiley Post arrived in Berlin July 16 on a solo round-the-world flight from New York. His plane has a top speed of 210 miles an hour. He has a new radio compass of special design installed by the United States army at Dayton, Ohio. The machine is the same one in which he and Gatty established the record of 8 days, 15 hours, 15 minutes for a flight round the world in June, 1931.

Within two years time, 52 passengers will be able to board a 4000-horse-power plane in Manila and arrive in San Francisco four days later, if present plans of the Pan-American Airways Corporation for a passenger-freight service between San Francisco and Hongkong are fully realized, according to statements made recently by Major James H. Doolittle, famed American speed flier and test pilot, at present in Manila.

Yangtsze River Waters Subside

The waters of the Yangtsze at Hankow began to fall July 18 after the second threat of a flood. The water-mark was 46.1, July 18. The rapid fall of the upper Yangtsze still continues, while at Nanking and the surrounding country the Yangtsze and its tributaries have been falling considerably. The capital is now declared to be safe from flood danger.

The Chief Engineer's Office for the First District (Kiangsu) attached to the newly organized Yangtsze Flood Prevention Committee was formally organized at Chinkiang, July 7, with Wang Jui-lin as Chief Engineer.

More than twenty persons were drowned, three persons blown into the air, and ten buildings demolished when Lushihchang, a village in the Nantung district at the mouth of the Yangtsze River, was visited by a cyclone July 13, which formed a waterspout rising about a hunpred yards high in the air.

The dykes along the Chang Ho at Tangyang, central Hupeh, broke at several points end of last week, resulting in more than 200 casualties. About 400 houses collapsed.

Two houses collapsed in Swatow July 6 as a result of the overflow of the Han Kiang (River). The accident resulted in ten casualties, three of which were fatal.

In view of the voluminous silt deposits on the lower reaches of the Yellow River, there is a possibility of the River overflowing and changing its course, according to an official of the Yellow River Conservancy Board. The Board has therefore decided upon an emergency program of prevention, including the strengthening of sections of the dykes.

Manchurian Heroes Honored in Shanghai

Various public bodies in Shanghai (upwards of 200 in number) gave a reception in the Chinese Chamber of Commerce July 11, in honor of Generals Ma Chan-shan, Su Ping-wen, Li Tu, Chang Tien-chiu and other Volunteer leaders who fought gallantly against the Japanese last year in Manchuria. The band from the Bureau of Public Safety provided music.

Various local educational institutions gave a dinner party at the Y. M. C. A. Building in the Franch Concession, on the evening of July 15, in honor of Generals Ma Chan-shan, Su Ping-wen and other Volunteer leaders now in Shanghai. The hosts included the Teachers' Union of Chinese Universities and Colleges in Shanghai, Middle School Teachers' Association, the Student Union, Shanghai Educational Bureau and the Sun Yat-sen Cultural Commission.

General Li Tu, who returned from Europe recently, told local press representatives his that 7000 soldiers who had fought many battles with him in Manchuria are now in Sinkiang province. He is sending his chief-of-staff to the border province to tender them his instructions and news of his return to China. Some 30,000 more of his subordinates still are operating in Kirin province, he added. He revealed that the Soviet Government had spent U.S.$600,000 for the Chinese officers and men who retreated into Siberia and that the Nanking authorities have promised to refund the sum in 12 months.

Three Tsingtao Cruisers Will Be Added to Kwangtung Forces

All fears of a possible encounter between units of the Chinese Navy were set at rest July 15 when the *Ning Hai*, China's newest and best-equipped cruiser, which sailed to south recently, returned to Shanghai. The *Yat Sen* and *Hai Yang*, the two other cruisers which accompanied the *Ning Hai* on southern trip, also returned.

The return by the three cruisers was ordered by the Ministry of the Navy it was stated, to avoid misunderstanding with the South-west, as Gen. Chen Chi-tang had declared martial law at the Bocca Tigris Forts because of the presence of the three warships.

With the incorporation of the North-eastern Squadron in Nanking's fleet, and the enlistment of the three mutinous cruisers, the *Hai Chi*, *Hai Shen* and *Shao Ho*, in the Kwangtung forces, it would appear that the Tsingtao mutiny is at an end.

Although the South-western authorities have decided to incorporate the three warships, *Hai Chi*, *Hai Shen* and *Shao Ho* of the North-eastern Naval Squadron into the South-west, the action has been delayed owing to lack of funds, a recent *Kuo Min* message stated.

The three run-away warships of the North-eastern Squadron issued a joint statement at Canton July 12 strongly attacking Admiral Shen Hung-lieh, Commander of the Fleet, for his cowardice in not ordering a naval attack against the Japanese warships during the time when Japanese vessels were attacking the Manchurian coast. They declare that, because they want to render service to the country, they went south in preparation for future wars with the Japanese.

The Tibetan Truce as the Japanese See It

A *Nippon Dempo* telegram from Nanking July 8 printed in the *Japan Advertiser* of the following day stated that the truce agreement stipulating to bring an end to the advancement of the Tibetan troops was signed on June 16. According to the original of the agreement which reached Nanking a non-aggression line was established at a line connecting the Tungtienho and the upper reaching of Kinshakiang, defining one-fourth of Chinghai as a neutral zone. The Tibetan situation was discussed in an editorial in *The Review* July 15 entitled "The Partition of West China."

The Nanking Government authorities are stated in the *Shun Pao* to be bending their efforts to work out a satisfactory arrangement for the settlement of the dispute between Tibet and Sikang as well as the prolonged dispute between the Dalai Lama and Panchan Lama. It is understood that the Government has decided to send Mr. Kehshangnojen, a member of the Mongolian and Tibetan Affairs Commission, as Government Envoy to Tibet to confer with the Dalai Lama on the Tibet-Chinghai and Tibet-Sikang relations. When interviewed, Mr. Kehshangnojen declared that the recent disturbances in Sinkiang, Chinghai, Tibet and Mongolia all tend to indicate a break in the relations of the five races which constitute the Chinese nation. He said that unless a speedy solution is secured in the shortest possible time, all these dependencies of China will change their colors on the map.

Well-Known International Lawyer Appointed Councilor of Executive Yuan

Dr. Yuen-Li Liang, noted international lawyer, who has just returned from Geneva, was appointed Councillor of the Executive Yuan at a meeting last Tuesday July 18, presided by Wang Ching-wei, President of the Executive Yuan.

Dr. Liang was formerly a Research Fellow at the Harvard Law School, where he pursued special studies in international law. He served successively as Secretary of the Foreign Office, as Judge of the Shanghai Court of Appeals, as Professor of International Law at the Comparative Law School of China, and as Secretary to the Chinese Legation in Washington. While in America, Dr. Liang accompanied Dr. Chao-chu Wu twice to Europe as Technical Adviser to the Chinese Delegation to the League of Nations Tenth Assembly in 1929 and to the Hague Conference for the Codification of International Law in 1930. He was again summoned to Geneva last winter to serve in the same capacity when the Lytton Report came up for discussion at the League Extraordinary Assembly convened to deal with the Sino-Japanese dispute. Dr. Liang remained in Geneva until his recent return.

Dr. Liang is the author of numerous articles and studies in international law, particularly concerning the legal aspects of the Sino-Japanese dispute.

Chinese Shanghai Municipality Celebrates Seventh Anniversary

July 7, being the seventh anniversary of the establishment of the Municipal Government of Greater Shanghai, a memorial meeting was held in the Shanghai Municipal Government office to celebrate the occasion. In the absence of Mayor Wu Teh-chen, who was in Nanchang conferring with General Chiang Kai-shek, O. K. Yui, Chief Secretary of the Municipal Government officiated. The day was observed as a holiday in all offices under the direct control of the Shanghai Chinese Municipal Government.

Macao---A Badly Tarnished "Gem"

BY WILBUR BURTON

SIR JOHN BOWRING, an early governor of Hongkong, described Macao as the "gem of the Orient earth." At least so all the guide books avow. But what the governor of Hongkong said to the governor of Macao as they clinked their tumblers of port in toasts to imperialism of the long ago, is today, like many other aspects of this little Portuguese colony at the mouth of the Canton River, of only historical interest.

But it should not be forgotten that Macao, although today unknown to most literate people of the world outside of Portugal and the Far East, is one of the most important cities from the historical viewpoint on the coast of Asia. It is a reminder, for example, of the glory that was Portugal in the days when the North American continent was wilderness, Germany was composed of petty, warring states, Russia sprawled in barbaric somnolence, Japan was hardly discovered, and England was an insignificant island engaged chiefly in fighting with an insignificant country on the European mainland,—France. Then Portugal's chief rival was another nation that is today in a similar state of decadence,—Spain. It is, further, not without intriguing interest to recall that Macao is the only spot in the world where the flag of Portgual has never been hauled down since it was first raised back in the middle of the sixteenth century. For when Portugal itself was under Spanish rule from 1581 to 1640, Macao alone of all the Portuguese possessions continued under a Portuguese regime with the flag of a vanquished motherland floating proudly in the alternating northeast and southwest monsoons.

Most important historically, however, is the fact that Macao was the base from which the west penetrated Cathay. The oldest European settlement in the Orient, Macao may be very properly called the mother of all other foreign settlements on the China coast. It was the first spearhead of the Occident into the heart of the empire of Han, and, having efficiently played this historic role, it now sleeps in opium-dazed degeneration.

Portuguese and Pirates

The exact date that the first Portuguese settlers, following in the wake of the great Vasco de Gama, flaunted their flag from their halberds at the rockbound mouth of the Chukiang is not definitely known; some authorities place it as early as 1535, Chinese accounts say 1550, and the Portuguese themselves have fixed the date of Macao's founding as 1557. Anyway, they planted themselves there around the middle of the sixteenth century, and there they remain to this day. Their story is, that the 11 square miles which comprise the colony were given to them by the Chinese in gratitude for assistance in clearing the district of pirates. The exact truth is lost in the mists of antiquity, but iti s the writer's considered opinion that back in those days, the Chinese were unable to draw any careful distinction between Portuguese and pirates. In any event, it was not until 1887 that the Chinese put their alleged gratitude in writing by signing a treaty that confirms Portugal's sovereignty over Macao in perpetuity. This, it may be noted, was long after Portugal's decline as a great world power, but at about the time that she came under the pronounced influence of London's world's encircling tentacles.

The Bible and the East India Co.'s "Chop"

From the time of the original settlement until the last century, Macao was just there without meaning much to anyone save perhaps the Portuguese residents. Portugal reached the zenith of her imperialism as a feudal power, and has not to this day caught up with the modern world; meanwhile, formerly lesser lands—notably France and England—were taking the lead as world powers. Completing her conquest of North America and then suffering a severe reverse in the successful revolt of the colonies that formed what is now the United States, England turned eastward. After annexing India, her imperial adventurers followed the Asian coast to mysterious Cathay, and in September, 1807, Robert Morrison arrived in Macao with a Bible in one hand and the chop of the East India Company in the other.

Previously, in 1635, the East India Company, under license from the governor of the Portuguese colony of Goa on the coast of India, had sent a ship to Macao. The next year four or five ships left England for Macao. Similar efforts of England to gain a foothold in China via Macao followed, and, in addition, the first Macartney mission was dispatched by another route in 1793 to the Manchu court in Peking with presents provided by the East India Company. Evidently, the East India Company sought to make of China a second India.

All efforts, via Macao or otherwise, prior to the coming of Morrison had little success. Before 1800, the Portuguese still did not admit England's strides past them in imperial development, and so they offered opposition to the British effort to break their monopoly on what little Sino-western trade existed. Further, the Chinese, under Manchu domination, sought in every way possible to prevent contact with the west. It was forbidden, for example, under pain of death, for a Chinese to teach a foreigner the Chinese language. Robert Morrison was the first to batter down the walls of Chinese seclusion; from the time he landed in Macao until his death almost three decades later he compiled the first Chinese-English dictionary, translated the entire Bible into Chinese, and served for a quarter of a century as official translator and Chinese expert of the East India Company. Rarely do persons live their roles as completely.

Today Morrison lies buried in the little Protestant Cemetery of Macao near the grotto of Camoens. Beside him is his first wife with her unborn babe. And elsewhere in the same cemetery lie the bones of Sir William Fraser, chief of the first British factory in Canton who died in 1827; Edmund Roberts, special diplomatic agent of the U. S. A., the Right Honorable Lord John Spenser Churchill, of H. M. frigate "Druid," who was the first British senior officer of the China Sea; and Sir Humphrey Fleming Senhouse, His British Majesty's senior officer of the China station who died in 1841 from fever contracted in the capture of the heights of Canton.

On these and other tombstones in this almost forgotten graveyard is written the beginning of the history of modern Asia and the role that Macao played therein; further, it is altogether appropriate that this little burying-ground should adjoin the grotto of Camoens that is one of the most beautiful spots I ever have encountered in all Asia or, for that matter, in any other continent. Camoens, it may be recalled, is Portugal's principal contribution to the world's literature; he was an adventurer and poet who lost one eye in warfare with the Moors and later participated in the Portuguese capture of Macao, where he lived for a time. His "Lusiadas" commemorate in the best feudal manner the discoveries and conquests of Portugal—including one moving description of how the daring sailors of Lusitania were lured on by Venus to defy Neptune in traversing the Indian ocean, and thus establish the poppy paradise of Macao!

A Gem in More Ways Than One

So today atop a hill overlooking the yellow waters of the Chukiang, on an estate once owned by Sir John Davis, a supercargo of the East India Company who subsequently became governor of Hongkong, is a little, gorgeous grotto in memory of Camoens, and below in the Protestant cemetery are the bones of the British imperialists who are largely responsible for making China what it now is. Rarely is history symoblized so succinctly. Perhaps that was what Sir John Bowring meant when he characterized Macao as the "the gem of the Orient earth." Doubtless it was also a gem of a town to the early British adventurers to deploy from in an effort to enter Canton 80 miles away.

In certain physical aspects, Macao today is really a gem. As I have said, the grotto of Camoens is extraordinarily beautiful. So also are the winding ways atop the hill upon which the first lighthouse ever erected along the China coast is located. The promenade along the sea wall of the Praya Grande is gloriously reminiscent of many waterfronts of the Latin world, notably the superb Malecon of Havana, Cuba, but typical of the modern degeneration of Macao is the fact that garbage is dumped along the very edge of the wall. But, fortunately, that can't be noticed when the tide is high, and then a walk beneath the gnarled and sprawling banyan trees of this ancient thoroughfare can, for at least a few moments, make one forget whatever one wants to forget, or dream whatever dreams one wishes to dream.

In fact, the whole atmosphere of Macao, at any rate for a visit of a few days, is that of a true lotus land. In most places in the world one is bored stiff unless virtually every waking moment is occupied; in Macao one can be quite happy doing absolutely nothing. But

that does not mean that there is not much to do in Macao if one wills. The town can be recommended to furnish at least one last thrill to the heart of the most world weary wanderer. Have your friends double-crossed you? Has love turned to ashes? Has business failed? Then go to Macao to forget among forgotten men. You probably will acquire a bad headache from the Portuguese waters of Lethe....but sometimes an aching head is preferable to an aching heart. Further, Macao is not—unless you are willing to turn practically native—an inexpensive place. The only strictly modern hotel, which is none too good by even modest standards, makes a fan tan house seem like Santa Claus. But still one can have at reasonable cost more of the comforts of home in Macao than in the French Foreign Legion, which is another place to forget.

In advocating Macao for a vacation, it must not be supposed that the only form of entertainment is of a kind that one does not ordinarily write home about. The writer enjoyed one of the most exhilirating, and at the same time innocent, experiences of his very varied life in Macao by listenting to an Eurasian band playing the Argentine tango "Y Como Le Va?" (literally, "and how goes it?") for a largely Chinese audience in the Plaza in front of the Leal Senado (administration building) while firecrackers echoed in the adjoining Avenida Almeida Ribeiro and a horde of amahs waited and grumbled around the open Plaza well for their triangular buckets to fill from the very slowly flowing water. Never before in travels around the world has this observer encountered a scene of more amazing and intriguing contrast.

But most that Macao has to offer is not so innocent, or so amusing. It must not be forgotten, for example, that its very quiet—the population of the whole colony is only slightly over 150,000; there are no trams and but few busses and automobiles; and the few industries are small and silent—is due to degeneration. When the colony was settled, the port facilities were fine for the sailing ships of that era, but now the harbor has silted up while the draft of ocean-going vessels has deepened. Had Macao kept abreast of the times, it would have been a serious rival to Hongkong as the principal port of south China. As it is, only 20-feet ships can enter the harbor, and it is only in the last few years that any harbor improvement was started. The present plans for development call for dredging only to a depth of 25 feet, which is entirely inadequate for modern shipping. Of course, Hongkong has far superior natural facilities as a port, but the majority of the greatest ports of the world have been made more by man than by nature, and Macao's seniority over Hongkong should have counted for a lot. The men of Portugal, however, as represented at Macao and elsewhere, are not today the fittest imperialists or industrialists.

The Proceeds of Vice

Instead,—perhaps because,—Macao is noted today, not as a port nor as a progressive city, but as the most outstanding center of vice among the cities of the Orient ....and this aspect of Portugal's last stand in the Far East should not be overlooked however charming one may find the "city of the name of God."

Fan tan houses and "fumatorios" are the principal "industries" of Macao and yield over half of the revenues of the colony. Out of the total estimated revenue of 1931-32 of $5,228,130.51, $2,462,425 is from "licenses, monopolies, etc."—which include gambling and prostitution with the former being the principal item,—and $1,130,000 is from opium.

Prostitution, it should be emphasized, is not as extensive in Macao as in Shanghai. Furthermore, in Macao it is confined entirely(with possibly two or three exceptions) to Chinese girls, and the district in which they are quartered is no more extensive, and not nearly as sordid, as the Rue du Moulin of the French Concession of Shanghai. There are not even any girls calling themselves Portuguese in the quarter; these Eurasian blossoms of Shanghai's night life are, apparently, like the best beer and vodka in the Soviet Union, for export only.

But the sign "fumatorio"—literally "smoking room"—can be seen all over the city and, in addition, every Chinese hotel is equipped with opium-smoking divans and the drug is available for use in private homes. Actually, many streets are literally laden for many blocks with the pungent fumes of burning opium. The writer has neither the space nor the desire to enter into a discussion here of the involved question of opium; assuredly there is no government with colonies in Asia, nor has there ever been in modern times a government in China—with the possible exception of the so-called Soviet Government, about which direct, reliable reports are lacking—which has, or has had, any genuine desire to suppress the use of opium. Macao is not alone in licensing opium, and assuredly it is better to license the use of the drug legally instead of through police and provincial squeeze. But where Macao comes in for criticism in this connection, is through a method of regulation of the opium traffic which obviously encourages—protestations to the contrary notwithstanding—the spread of narcotic addiction. At least Hongkong's method of licensing the sale of the drug, but forbidding its public use (and there do not appear to be many opium divans in the British colony) is more defensible.

Far more widespread than "fumatorios," however, are houses bearing the label "Fan Tan." Most of them also bear the additional allegation of "First Class Gambling House." They line the downtown streets, and on ordinary weekday nights they are almost as crowded as on week end nights when many excursionists go to Macao from Hongkong. Fan tan, it might be explained for the benefit of readers abroad, is a game in which bets are placed on how many small, brass chips, or counters, will be left over from a large pile after division by four. That is, four chips are removed at a time, and at the end of the removal process there must be 1, 2, 3, or 4 remaining. If any one is interested, a system may be employed to win always at fan tan if the game is played honestly,—and while the system is beyond criticism in theory, and has actually worked for a brief time in practice, the writer has no faith in it and does not recommend it to anyone save at their own risk. Nevertheless, by the law of averages, any number one selects—1, 2, 3 or 4—should win or an average of one time in four. Therefore, the gambler selects one number and sticks to it until it wins, betting double his total loss every time he loses and going back to his original bet after each win. But even assuming the game is honest, the system precludes the possibility of any spectacular winnings.

With or without system, all the residents of Macao, native and foreign alike, as well as visitors, appear to spend most of their evenings playing fan tan. Coppers, silver, and notes are stacked high together around the same square of the table, since anyone can bet any amount on any number at anytime without reference to anyone else's bet. The house simply matches what each gambler puts up. The poorer classes who play with coppers are usually around the table itself while from a balcony the larger bets are swung down in baskets by attendants while the gamblers sit on a bench smoking and/or drinking.

It is, of course, all very interesting and charming for a visitor, and whether one gambles or not, the musical clink of myriads of brass chips being stacked and counted, and counted and stacked, adds to the lure of Macao. But the existence of a foreign colony on the China coast which thrives almost entirely on gambling and opium-smoking; can only be soberly viewed as one of the worst of many things for which the white race has to answer in the annals of Asia. Nevertheless, I like Macao; the colony has no more ardent admirer than I east of Suez. But its "gem-like flame" (to maltreat a phrase of Walter Pater) should be recognized for what it is,—the phosphorescent flowering of decadence.

Macao, June 9, 1933.

Thieves Attempt To Steal $5,000 Chinese Dinosaur Egg

According to an *Associated Press* dispatch from Hamilton, N. Y. an attempt was made to steal a U. S. $5,000 dinosaur egg which was on display in the museum of Colgate University. As soon as the theft attempt was discovered the egg was removed from the museum display case and placed in the college safe.

The dinosaur egg was one of several discovered in Mongolia by Roy Chapman Andrews several aears ago and taken to the United States where they were sold to defray the expenses of the Andrews' expedition. This particular egg was sold for $5,000 to Col. Austen Colgate who donated it to the university which bears his name.

Commercial Aviation in China

(People's Tribune, July 1)

THE first attempt to establish civil aviation in China was made in 1919. In that year contracts were entered into by the Government with the Handley Page Co. for six passenger planes, and with the Vickers Vimy Co. for 40 commercial, 40 training and 65 Avro planes. These, it was laid down, were to be used for commercial purposes only, a number of foreign experts and fliers were engaged, and an aviation school opened in 1920 at Nanyuan near Peiping. Elaborate schemes were drawn up for a network of air services, but these were wrecked by the state of chronic civil war that existed. All the first lot of planes were seized by various militarists, and a similar fate befell most of those subsequently imported. Passenger and air mail services were intermittently maintained between Peiping and Peitaihao and Peiping and Tsinan, and that was all that was achieved until 1929.

In that year the first regular air service was inaugurated. The Ministry of Communications started one which was intended to run between Shanghai and Chengtu, but this in actual practice never went further than Nanking. China Airways, an American company, also maintained a service between Shanghai and Hankow, following the line of the river, on a contract basis for the Government-owned China National Aviation Corporation (Old Company). Loening amphibian planes were used, and a fixed rate paid per mile flown. The main business of both services was the carriage of air mail.

These two services in July, 1930, were combined as a result of an agreement come to between the Ministry of Communications and China Airways for the formation of the (New) China National Aviation Corporation, with an authorised capital of $10 million, of which the Ministry of Communications subscribed 55% and China Airways 45%.

Meanwhile negotiations had been going on which resulted in the formation of a second company. As early as 1928 the Luft Hansa of Germany had approached the Government on the subject of an air line between Nanking and Berlin, and on February 21st, 1930 a Sino-German air mail contract was signed, and the Eurasia Aviation Corporation formed to carry it out, with an authorised capital of $3 million, two thirds to be subscribed by the Chinese Government and one third by the Luft Hansa. About $2 million of this have so far been collected.

These two companies represent all that is being done in China at the moment in the world of civil aviation. They are complementary to each other, not rivals, with different spheres of operation, and, to some extent, different aims, as their names to some extent indicate. The China National Corporation is more concerned with developing air communications within China, the Eurasia Corporation's main purpose is to establish a direct air service with Europe. The following details of the respective routes flown over by them will help to make this clearer.

I. CHINA NATIONAL AVIATION CORPORATION

(1) *Shanghai-Hankow.* This line was inaugurated in 1929 with a daily service except for Mondays. Stopping places and aerodromes are situated at Nanking, Anking, Kiukiang.

(2) *Hankow-Chungking-Chengtu.* Inaugurated in May 1931 this service at first only reached as far as Ichang. It was extended to Chungking in October, 1931, and to Chengtu in June, 1933. Two round-trips a week are made, with stopping places at Shasi, Ichang, Wanhsien, Chungking.

(3) *Shanghai-Peiping.* Inaugurated January 1933 with a tri-weekly service. Stopping places—Haichow, Tsingtao, Tientsin.

For a brief period—April to December 1931—there was also a service from Nanking to Peiping.

It is hoped to start a new route this year (1933):

(4) *Shanghai-Canton,* with stops at Wenchow, Foochow, Swatow, Amoy, and Hongkong.

II. EURASIA AVIATION CORPORATION

The first service opened by this company was

(1) *Shanghai-Manchuli,* May 1931. This only operated a very short time, as the Japanese invasion of Manchuria forced it to be discontinued.

Meanwhile every effort was being made to overcome the difficulties that lay in the way of the company's primary object viz. the line to Berlin. Surveys were completed from Peking to Tihwa and so via Russia, to Europe, and from Shanghai via Nanking and Loyang to Sian, and

(2) *The North Western Line* began regular operation in December 1932, with three sectional services.

(a) *Shanghai to Lanchow* via Nanking, Loyang, Sian. Weekly service.

(b) *Peiping to Loyang.* Fortnightly service.

(c) *Lanchow to Urumtchi,* via Suchow, Hami. Fortnightly service. This last service is however at the date of writing (June 1933) not in regular operation owing to trouble in Sinkiang.

As soon as possible a further extension will be made to Tchukuchak on the Russian border, where connection will be made for the time being with the Soviet air lines, and so with the general network of European lines. Later it is hoped to establish a direct service to Berlin. This will bring Berlin within six days of Shanghai, and possibly, if night flying becomes practicable, within four days.

Once this line has been got going it is proposed to inaugurate two others making Sian a junction for the company's services. These are

(d) *Sian-Canton* via Shiangyang, Hankow, Changsha.

(e) *Sian-Peiping* via Taiyuan.

Both of these lines are expected to absorb a large quantity of foreign mail matter.

In equipment and flying personnel the two companies are about on a par. The China National has in actual use only 11 machines, 6 Loening amphibians and 5 Stinson planes. There are three in reserve and two on order. The only repair depot is at Shanghai (Lunghwa), though mechanics are stationed at Hankow and Chungking for emergencies. This company also maintains its own radio service and meteorological service, the latter, the only one in China dispensing weather information suitable for aviation purposes. The Eurasia Corporation has in actual use at the moment only six planes, all-metal Junkers carrying four passengers, but a number of others are on order. Two in fact arrived in May this year, and one more is due in July. These three are six passenger machines with a cruising speed of 130 m.p.h. The only repair depot is at Hungjao, Shanghai. The flying personnel of both concerns is almost entirely foreign. The China National employs 8 Americans and one German as pilots, and 2 Americans and one Frenchman as assistant pilots. A Chinese flying staff is gradually being trained, and there are already a number of native assistant pilots. Eurasia employs 6 Germans, who are expected also to train Chinese apprentices.

Both companies depend on air mail for the greater portion of their business. The details as far as can be ascertained are as follows.

	Passengers	*Mail and Freight*
China National Aviation Corporation		
1930 (Oct.-Dec.)	3,008	48,014 lbs.
1931	2,296	75,742 lbs.
1932	3,153	111,872 lbs.
Eurasia Aviation Corporation		{ 9,758 kilos freight.
1932	589	{ 1,545 kilos mail.
1933 (Jan.-May)	221	figures not available.

From these figures it is clear that the China National does by far the more business. Not only has it more service and planes in operation, but it serves the more developed and populous areas. There is naturally far more demand in business circles for air transport facilities between Shanghai and Nanking and up the Yangtse valley and between Shanghai and the North, than between Shanghai and the backward undeveloped north western provinces. At the same time these areas present far fewer topographical and kindred difficulties. It is easy for example in the Yangtsze valley to organize stopping places with aerodromes and supplies of petrol and spare parts, since every point can be reached either by river or rail, if not by both. But flying north-west from Nanking one passes over some of the least developed parts of the country, where river, road and rail communication is practically non-existent.

The further one proceeds the more difficult the nature of the country flown over becomes, with high mountain ranges, desolate deserts, alternations of intense heat and cold, and sudden storms. Often machines have to climb to 13,000 feet and more and even then in places have to spiral along the mountain sides. Machines forced down in such a country have little chance. The pilot and mechanic for example of one which had to make a forced landing in Outer Mongolia were held prisoners for months.

Thus one great problem is the maintaining of depots with adequate supplies of petrol and other necessaries. These have to be carried long distances overland from one or other of the two railheads, Sian or Paotow, by motor truck, bullock cart or camel, an easy mark for bandits.

Political Difficulties

The Eurasia Corporation has had, too, by far the greater political difficulties to overcome. Save for that from Nanking to Peiping the China National has not had to suspend any of its services because of political disturbance. The only area where this factor has interfered with progress is possibly Szechuen, and not here to any great extent, if at all. The Eurasia Corporation has had to deal with Soviet opposition, and now that a settlement seems to have been reached there, trouble has broken out in Sinkiang, preventing the extension of the regular service to Urumtchi. For one thing the Company has not been allowed to set up the all-important radio service.

Commercial aviation is therefore only in its infancy in China, and future development depends largely on the provision of more machines and a larger flying personnel, not only for opening up fresh routes, but for keeping reserve machines and pilots and speeding up the service on those already existing. This is, of course, a matter of money, but not money alone. There is also another important consideration. There can be no really satisfactory development of civil aviation in China until the necessity for importing foreign machines and foreign pilots and experts has passed. A native flying personnel is gradually being trained, this does not present so much difficulty, but there are very great obstacles in the way of the native manufacture of planes. China possesses the raw materials, but lacks the basic industries which produce the high grade manufactured materials necessary for the construction of modern aircraft. At the same time the building of aeroplane engines and aeroplanes in general is a highly technical and specialised business, which is not mastered in a day or two. However, though none of the proposals for the establishment of maunfacturing companies have as yet borne fruit, a start has been made towards the building of native planes. The aeronautical department of the Naval Ministry has turned out ten or so seaplanes which have proved practical for training purposes. All of them have had to be fitted with imported enginges however. In the most recent, which has a speed of 120 m.p.h., a lifting power of 1,116 kilograms and a ceiling of 3,810 feet, Mr. Tseng, Director of the department, plans to make a distance flight along the Yangtse valley and the southern coast, visiting in all 7 provinces.

Neither company can be said to be at the moment in a financially prosperous position. Actual figures and balance sheets are not available, but neither has yet shown a profit. Indeed both are dependent on their air mail contracts for the greater portion of their income, and these contracts are largely in the nature of a subsidy rather than an economic payment for services rendered. In consequence they are frowned on in some quarters, especially by the Post Office, which objects to having, as it asserts, to carry these "babies" of the Ministry of Communications at the expense of its own cheaper working. Strictly speaking there may be something to be said for this point of view; the financial purist would no doubt say that, if there has to be a subsidy, it should be made direct out of the national exchequer and labelled as such, rather than in this indirect fashion out of the funds of another department. But from the practical point of view, if it is necessary to foster aviation and a subsidy is required for the purpose, it seems that it might as well be given in this way as in any other.

Need for Commercial Aviation

Of the need to foster commercial aviation there can be no question. Already the two companies have proved their worth. The machines of the China National Corporation did invaluable service during the floods of 1931 in carrying supplies, conducting surveys, and transporting officials. Only recently one of the latest acquired machines of the Eurasia Corporation was detained at Lanchow on its flight out from Berlin in order to carry General Huang Mu-Sung, the National Government Pacification Commissioner to Sinkiang, from Suchow to Urumtchi. The bringing of outlying provinces into closer contact with the administrative and business centers of the country, of which this is an example, is indeed a vital necessity. Roads and railways will of course ultimately have to be made, but these take years to construct and necessitate a tremendous initial outlay. In the meanwhile air services can be established at far less initial cost and in much shorter time. They may not be at the start profit-making concerns, neither for that matter are roads and railways, the former indeed are not expected to be so at all, but they will become so. Already the China National Corporation is developing as the figures show. Business men are discovering, for example, the convenience of getting to the north in one day instead of four. The Eurasia Corporation's route to Europe, once satisfactorily organized, seems bound to become immediately popular. The saving of time it represents in regard to mail matter and certain types of goods such as films, machine spare parts, etc., let alone to individuals with important business to transact is tremendous. Although, therefore, at present no actual pecuniary return is to be seen for the capital and energy that has been expended, there are no grounds for pessimism. Indeed considering the great difficulties, financial, political, and geographical that have had to be overcome, the actual progress that has been already made is every reason why we should be optimistic.

Peiping Journal Suggests Employment of Jewish German Professors

The Peiping *Independent Critic* comments: "The Ministry of Education has asked Tsing Hua University to send 75 students to American each year for a period of three years, these to be selected by competitive examination of students. It costs the university at least U. S. $4,600 to maintain a student in America for three years, and U. S. $345,000 or $1,200,000 Mex. to support 75 students. If, instead, China used this sum to engage German professors, assuming that the maximum salary of a German professor is $12,000 Mex. we could have the services of 10 first-class German scientists and experts for ten years. The reason why we mention German professors is because the anti-semitic movement of the Hitler Government has resulted in the resignation of many good Jewish professors from the leading German universities.

Hitler Tightens Regulations Against Jews

Non-Aryan doctors, unless especially exempted by the government, are forbidden to treat Aryan members of private sick benefit institutions in Germany under a new order by Hitler. In a recent raid on a consulting office for Jewish doctors 88 were taken into custody and sent to a concentration camp. About 100,000 people are now locked up in concentration camps in Germany, including scientists, medical men and politicians.

The large Jewish department store of Hermann Tetz, which employs over 15,000 workpeople is now being carried on under national control. It had got into financial difficulties owing to the anti-Jewish movement in Germany under the Nazis.

The German Cabinet July 15 adopted thirty laws dealing with political, economic, juridical, financial and agricultural matters and others dealing with Jewish films. Three Communists were shot dead while they were being escorted to a concentration camp.

A cool welcome was extended to the American Ambassador to Germany. Dodd, by the *Voelkische Beobachter*, central Nazi organ, which charges Mr. Dodd with having made statements favorable to the Jews before he left the United States.

Lord Cecil Says Japanese Are Guilty of International Treason

The real problem of the Sino-Japanese dispute was whether international disputes should be settled by law or war, declared Lord Cecil, in a speech at a luncheon of the League of Nations Union in London July 14. Lord Cecil said that those taking Japan's part should reflect that it meant sympathy with a breach of the very foundations of all international progress.

How to Solve the Problems of the Day

BY WANG CHING-WEI

President of the Executive Yuan

(Extracts from an article in the People's Tribune, July 16)

AN analysis of the situation in Sinkiang, Kokonor, Szechuan, and Tsingtao shows the importance of devoting our entire energy as a nation to the task of reconstruction and unification. But instead of seeking unification through the use of armed force, we must aim at achieving unification by reconstruction.

Force as a means of achieving unification is a most insecure measure; the more we attempt to unify by force, the more disintegrated will the country become, and the more shall we find it impossible to achieve unification. On the other hand, if we seek unification through reconstruction, the material as well as spiritual relation between the various parts of the country will become closer day by day, and a force against disintegration will be naturally created. Under such circumstances, much as they may desire it, persons with aggressive designs will find disintegration a matter beyond possibility. It is only the kind of unity which is achieved in this way that can be considered as real unity.

If it is really proposed to seek unification through reconstruction, then the so-called "reconstruction" must consist in concrete work and not merely in lip-service.

Thus, if the practice of regional domination by military men continue to be engrossed by the desire to expand their personal armaments, not only will all sources of revenue be drained by military expenditures, but the expansion of armaments will also inevitably result in a state of interminable war and chaos. This would still be seeking unification by force and not by reconstruction. This is a distinction which must be clearly understood.

Now, if we are determined to seek unification through reconstruction and to exert our efforts for the enforcement of such a policy, we should first decide with which kind of reconstruction enterprise we have to begin our efforts. But judging from the present circumstances in China, it would appear that agricultural reconstruction is by far the most urgent of all reconstruction enterprises, and it is in this light that the recent American wheat and cotton loan, which has recently been passed by the Central Political Council and the Legislative Yuan, must be regarded.

Unwarranted Criticism of Wheat and Cotton Loan

This means that the criticisms levelled by the South-Western leaders against this loan are entirely unwarranted, as, for one thing the critics appeared to have overlooked the fact that enormous quantities of wheat and cotton are imported annually by China from abroad. The gist of the criticisms is that the influx of the large quantities of wheat and cotton to be purchased under the loan agreement would tend to lower the price of native cotton and thus prove detrimental to the native cotton producers. The point however is that, even had no such loan been concluded, the country would still have to import from abroad about the same quantity of wheat and cotton as provided for by the loans. This can be proved by the Customs figures which show that a total of $315,754,357 worth of foreign cotton, flour and wheat was imported last year and that of this, $196,950,006 worth of the goods was imported from the United States.

Further, as regards the disposal of the proceeds of the loan it has been definitely decided by the Central Political Council, the Legislative and the Executive Yuans that the proceeds should not be used for the financing of domestic military campaigns nor for the defraying of current military and administrative expenses, but exclusively for reconstructive purposes, particularly for agricultural reconstruction.

Upwards of 80% of the country's population are farmers; and it would be thus futile to talk of reconstruction if we neglect agriculture. For agricultural reconstruction is necessary not only for the development of agriculture but also for the development of commerce and industry. Industrial and commercial prosperity, as we all know, depends upon the sale of the produced articles. As the principal consumers are the 80% farming population, it follows as a natural corollary that only when the farmers possess the purchasing power is there any prospect of industrial and commercial development and that in order to develop commerce and industry, it is necessary first to increase the purchasing power of the farmers. Since increase of the purchasing power is usually the result of the development of power of production, there is no doubt that the object of agricultural reconstruction must consist in the development of the productive power of the farmers.

It is necessary, in order to achieve national salvation, to consolidate and enhance the national strength; and to increase the power of production of the people in order to consolidate the national strength. How can we increase the productive power of the people? The most important method is to carry out agricultural reconstruction. But if we devote our attention solely to agriculture, to the neglect of all other political and military questions, it would be impossible to proceed with the program of agricultural reconstruction.

Militarily, if bandits are rife and troops are running amuck, the farmers would find it difficult even to escape death and destruction. How can be possibly talk of agricultural reconstruction under such circumstances? Politically, if the political administration be unsatisfactory and the country be infested with corrupt officials, the plight of the farmers would become more and more distressful and it would be equally impossible to talk of agricultural reconstruction.

Again, education has also a bearing upon agricultural reconstruction that should not be under-rated. For example, the apprehension is being entertained in certain quarters that the present cotton loan, while beneficial to the cotton mills, will prove to be detrimental to the farmers. These people seem to be unaware of the fact that according to the Customs statistics, an enormous quantity of foreign cotton is being imported into the country annually. Why is it that the mill interests have imported foreign cotton, instead of purchasing it from the Chinese farmers? Was it because the domestic supply was insufficient to meet the demand? After careful investigation, it has been found that one of the main causes lies in the fact that native cotton is often of a quality much inferior to that of foreign cotton. This inferiority is due probably to the fact that on account of the lack of necessary knowledge, the farmers do not know how to improve the quality of their products, or that to gain more profits, the farmers have adulterated their products by the admixture of inferior substance or water.

Improvement in Quality Necessary

We must realize that the proper way of promoting native products is to have the courage to be ashamed of our inferiority to others and to have the tenacity and perseverance to improve our own products.

Communications are also of importance in their bearing upon agricultural reconstruction. Without good communications, it would be impossible to institute collective control or readjustment of supply and demand.

The important point to realise, therefore, is that agricultural reconstruction is not a question which concerns merely agriculture but is one which involves the whole political, military, educational communications questions. This means that militarily, we must enforce strict discipline; politically, make the Government clean and solicitous of the interests of the people; educationally, enhance the knowledge of the farmers and raise their general moral standards; and in the matter of communications, secure more convenient transportation facilities in order to make it possible to readjust supply and demand and to institute a system of collective control. It is only when all these general questions are solved that a solution of this particular question can be effected; that is to say, it is only when the political and military administration, education and communications are developed that agricultural reconstruction can be successfully effected.

The national crisis having come to such a pass, the most important means of achieving national salvation and perpetuation of the national existence lies in the development of the productive power of the people; in order to develop the productive power of the people, it is necessary first to carry out agricultural reconstruction and in order to prosecute agricultural reconstruction, it is especially necessary to remove all obstacles and increase efficiency in the political, military, educational and communications fields. This is the path along which we must strive to make steady and continual progress.

Japanese Declare British-Indian Commercial Treaty Abrogation May Lead to War

(By the Review's Tokyo Correspondent)
(Translations from various Japanese publications)

AFTER careful deliberation on the Indian Government notification of the abrogation of Indo-Japanese Commercial Treaty, the Cotton Spinners' Association held an emergency meeting in Osaka on June 8 and decided on the boycott of Indian raw cotton. During the rest of the month the issue stirred up national sentiment, as reflected in many publications. Later, the Governments concerned agreed to open a parley at Simla, India, to take up the question. Regarding the Simla conference the *Osaka Mainichi* says in its July 8 issue as follows: "Britain's unreserved acceptance of whatever may be reached in the Indo-Japanese direct negotiations, is the keynote of the attitude decided on by the Japanese Government in connection with the forthcoming direct parley at Simla. Stressing that point, the Foreign Office on July 6 cabled to Ambassador Taunco Matsudaira its instructions. The particulars of the instructions are: (1) In the event of full authority being vested in the Indian representatives, and Japan, Britain is requested to accept it unconditionally. (2) Japan does not approve of India's desire to defer the negotiation until after September 20, on the ground that to do so would make it impossible for the new pact to go into force on October 11. (3) No efforts should be spared toward letting India make arrangements for the parley by the middle of August at the latest."

Return to Chinese Market

(By Yunosuke Yasukawa, Director of the Mitsui Bussan—Jitsugyo-no Nippon)

The question of the abrogation of the Indo-Japanese Commercial Treaty is not a matter concerning relations between India and Japan only, but in essence an issue pertaining to those between Britain and Japan. At the bottom of the practice there lies the British policy of protecting her overseas market. Not only to India, but as far as Africa and South America the Japanese goods extend their influence, which is the source of a great menace and apprehension on the part of Great Britain. As an initial step toward eliminating such an economic menace, she attempted at barring the Japanese merchandise from the Indian market by means of higher tariff walls. How could such a step be taken by India alone?

It is nothing strange that the products of an advanced industrial nation cannot avoid competition with those of another advanced manufacturing nation in its overseas market. As a good example we may mention the commercial relations between Britain and Germany, for it was no other than the latter's phenomenal trade promotion in the world market that culminated in the Great European War. The war put an end to the competition.

To solve the pending Anglo-Japanese issue, however, no war-like measure may be resorted to. Instead, it will be settled through peaceful means. This is why the abrogation of the commercial treaty and raising of tariffs have come to be realized.

Naturally it is reasonable to be expected that the more the Japanese industry progresses the oftener and severer will become the competition with countries abroad, leading to endless troubles of a similar nature, while on the part of Great Britain it is almost certain that she will not confine her activities to the market of India, though there is no knowing what she really intends to launch.

It seems that in certain quarters of our country they have a mistaken idea that the abrogation of the Indo-Japanese Treaty can be successfully met by the boycott of Indian raw cotton. The issue is by no means so simple in nature. To cite figures, out of the total yearly cotton production of India, that is 4 to 5 million bales, Japan imports 40 to 50 per cent. How could the country find the source of so enormous an amount of raw cotton supply in Manchuria and Chosen? Surely, Japan will receive a heavy blow. On the contrary, the non-purchase league of Japanese manufacturers is unable to render a heavy loss to the Indian market. This testifies to the fact that the non-purchase league as a retaliatory measure will be far from being powerful enough to pursuade the British authorities to reconsider.

Then, how must we behave in the future in regard to the question? Where does our future route lead to? Inasmuch as the country's further development in industry will invite keener international competition, there is no other way left for her to choose than making an advance where there is least resistance.

African and South American markets may satisfy the condition, but there are in Africa many territories under British administration while the market in South Africa is quite small. Australia has turned her back against Japanese goods. Under the existing circumstances there is no overseas market for the Japanese merchandise except China. The Chinese market is best suited to the consumption of Japanese makes. Since the Manchurian incident, however, the Japanese goods in the Chinese market have become unpopular, which fact obliged the Japanese traders to turn their attention to the Indian market, but there they have met the treaty abrogation. To return to the Chinese market is therefore the only way open before us.

Mutual Understanding Is Essential

(By Yasoroku Soejima, Director of the Indo-Japanese Association—Jitsugyo-no Nippon)

The cancellation of Indo-Japanese Commercial Treaty, previous notice of which has been given by the British Government, is quite a grave question in all commercial and industrial quarters of the country. Being an issue of an extremely complicated nature when viewed from the standpoint of the recent world economic situations, the issue can by no means be dealt with off-hand.

Although India is now a territory of Great Britain, historical records show that relations between Japan and India date 1,300 years back; whereas the intercourse between India and Britain originated two or three hundred years ago.

Since 1884 the cotton spinning industry of the country began making steady growth and the import of raw cotton has continued to increase in volume, until recently Japan has come to consume 40 to 60 per cent of the Indian raw cotton export. As regards Japan's Indian trade, during thirty-seven years ending in last year the total export to India comes up in value to Yen 2,673,000,000 and import to Yen 6,334,000,000, showing an excess of import to the amount of Yen 3,661,000,000. These figures give a bird's-eye-view of how the Indo-Japanese trade relations stand.

In recent years, however, the tide has turned in our favor by degrees; the figures until 1931 show that whereas the British export to India dropped by 60 to 70 percent in general and even 90 per cent in her export of cotton cloth, the Japanese manufactures directed to the same market suffered a decrease of not over 50 per cent and are expected to make further advances in future. During last year Japanese exported Yen 192,000,000 value of merchandise and imported Yen 116,000,000 worth of Indian goods, showing an excess of export of Yen 75,000,000. The greater part of the Japanese export is occupied by cotton manufactures. It is this new development of the Indo-Japanese trade situations that prompted Britain and India to have recourse to the counter-measure in question.

For the past several years the Indian Government has occasionally raised her tariff obviously with a view to check the encroachment of Japanese goods and in September of last year it enforced a 50 per cent raise. At the Ottawa Conference of last year Britain, who enjoys an enviable position in Indian trade, decided on levying a 10 percent discriminatory tariff on all the imports from Japan. She did not stop here but went so far as to create a prohibitive tariff of 100 percent against Japanese rayon products.

It may sound plausible to say that all these steps taken by the Indian Government are unavoidable to protect the home industry of its own country. But this is a mere pretext, the underlying motive of the Government being no other than the attempt at replacing the cheap Japanese cotton goods with expensive home products.

In both India and Britain rumors are afloat to the effect that Japan resorts to dumping. Nothing is more nonsensical. It is due to increased industrial efficiency that Japan is enabled to undersell.

There are roughly five different standpoints in Japan's commercial relations with India and Britain; that is to say, standpoint of Japan, standpoint of Indian masses, standpoint of Indian textile manufacturers, standpoint of Indian Government and lastly that of Britain. As regards the relations between Japan and Indian general public, the former benefits herself by supplying goods while the latter do the same by buying the cheap necessities. In the same way the Indian farmers are benefitted by Japan's purchase of their raw cotton product. The standpoint of Indian Government and textile manufacturers are such that they have to safeguard their interest even at the risk of the well-being of the masses. The Government is in a position to have to make up its budgetary deficit by giving protection to the Indian enterprisers.

The other day when I saw Mr. Price, Director of the *Daily Mail* of London, he remarked to the following effect: "At the back of the anti-Japanese agitation in China evidently there is British traders' instigation. This ought to be disabled. As a means to solve the issue of the Indo-Japanese Treaty abrogation, we may leave the whole Chinese market to the activities of Japanese merchandise, and in exchange for the sacrifice on our part we (Britain) want to monopolize the entire Indian trade." However, the situation in China is out of the question.

I cannot agree with those who resort to the measure of retaliatory boycott, for it would contribute little to the world business rehabilitation. Japan must insist on her just stand and request the nations concerned to reconsider the matter. No international question can be solved without Japan's participation.

Crisis of Anglo-Japanese Relations

(By Rear Admiral Taneji Kyosa—Hinode)

The chairman of the League's Commission of Enquiry into the Sino-Japanese Dispute was an Englishmen. It was British Minister Lampson who, upon the Commission's arrival in Manchuria, engaged in secret maneuvers in favor of Chang Hsueh-liang in order to place Japan in a disadvantageous situation.

This much is quite sufficient to see what attitude Britain assumes toward Japan. Formerly few would dream of a war between Britain and Japan, whereas in the people's minds Russo-Japanese and U.S.-Japanese wars were always present. Recent situations, however, amply testifies to that it is no other than Britain which is most antagonistic toward Japan. Far more so than Russia and America; she is, indeed, by far the most malicious. A war with Great Britain may be inevitable, it is feared.

On May 12 at the meeting of the Preparation Committee of the World Economic Conference held at the British Department of Foreign Affairs, the bill for the tariff holiday was passed, and immediately following the event India raised its tariff by 25 per cent against Japanese cotton fabrics. With this the customs duty on Japanese cotton cloth comes up to 75 per cent. This is nothing short of a veritable ban on the importation of Japanese cotton goods. Since India is placed under the control of Great Britain, it must be Britain herself who made the Indian Government act in such a way. Upon making a protest to a British Government, Japan was told that since it was the step taken by India herself, nothing could be done on its part to restrain her action. What an insolent reply this is! This enraged the Japanese cotton spinners, who agreed to retaliate by having recourse to the boycott of Indian raw cotton. Not only in India but in all its colonies Britain tries to apply a similar measure, with the object of checking the advance of the Japanese manufactures.

Such unfriendly attitude of Great Britain is not confined to the commercial field, but in all phases of its relations with Japan, Britain tries to stand in our way. When all things are taken into consideration, we are inclined to consider that a clash with Britain may be unavoidable.

As all are aware it is to provide against Russia that the two nations entered into alliance. After the Russo-Japanese War, which completely eliminated the Russian menance, the Anglo-Japanese Alliance changed its raison d'etre, assuming the role of putting restraint on Germany. Japan's sense of responsibility arising from the alliance made her take part in the European War. Her activities in the war were such that the then Premier Lloyd George stated in Parliament, "Should Britain fail to remember the favor rendered by Japan, even those nations which are displeased at the Anglo-Japanese Alliance would criticize Britain as an ungrateful nation." The British people completely betrayed him when they buried the alliance under the Four Power Treaty.

The antipathy between the two nations is the product of the past thirty years' economic development they effected. Their economic growth in the Orient with China and India as its principal arena has at last come to see a frontal clash.

Fortunately, however, the collision has always ended in our victory. Both in the Chinese and Indian markets Japan has emerged victorious. We can well imagine the jealousy with which Britain cursed the steady growth of the later comer. Indeed, she tried every means whereby she thought she could hinder the influence of the country of the rising sun. As one typical example we may mention the emissaries made to shadow the Japanese travelling in India. This secret practice of Britain amply testifies to the fact that, unlike the United States, she carries out her snaky tactics in the dark as a hypocritical nation would.

Nothing daunted Japan continued to make its natural growth beaming with youthful vitality. Hereupon Great Britain altered her tactics and courted the friendship of the United States with an object of bringing combined pressure upon Japan. All the conferences relating to Pacific affairs since the Washington Conference are nothing more or less than the revelation of the British brazen-faced diplomacy. Thus, the Anglo-Japanese relations quicken their pace toward irretrievable culmination.

Both Nations Will Suffer Loss

(Tokyo Asahi, June 10)

It is a matter for profound regret that the economic relations between Japan and India are becoming strained. Evidently the newly developed situation is the creation of the unfriendly and arbitrary attitude of the Indian Government. After notifying the abrogation of the Indo-Japanese Commercial Treaty the Indian Government created a dumping prevention tax and raised import duty on cotton manufactures, adding fuel to the already smouldering anti-Japanese economic campaign. The fact that the Indian Government has raised tariffrates four times since 1930, that is, once a year on an average, demonstrates how tenacious has been the oppression brought to bear upon the Japanese goods. The present tariff increase is its fifth attempt, by which the duty on Japanese cotton cloth was raised up as high as 75 per cent. It is a wonder if such an arbitrary high-handed policy of the Indian Government could not invite the indignation of the Japanese cotton textile manufacturers. It is, therefore, but natural that they have decided on the boycott of Indian raw cotton. This determined attitude assumed by the Japanese industrialists represents their "ultimatum," because when the decision was reached they were fully aware of the inconvenience resulting from the practice—that approximately half of the raw material they consume comes from India and that the Indian Government will, as a retaliatory measure, resort to every possible means to check the inflow of all the Japanese merchandise. That is to say, they are fully convinced that the time has come when no other measure than "actual power" can meet the situation. India will also suffer no less severely, for not only will she lose an important overseas market but her general public will suffer from the high price of cotton cloth. It is these possible adverse effects on both sides that long dissuaded the Japanese industrialists from falling back upon their final measure. Of course the Japanese Government will take up the question with the Indian authorities, but the Indian Government would, it is feared, turn a deaf ear to whatever just insistence Japan may make at the negotiations. There is, we take it, little or no hope for the amicable settlement of the question until and unless the Indian Government awakes to its wrong industrial policy of ignoring the interest of the masses and revises its attitude. The Japanese Empire, which is now obliged to lose the whole Indian market due to her daring attempt to boycott Indian raw cotton, has come to be greeted with the economic bloc of Great Britatin. It is now high time for us to trace up the very fountain of the trouble and firmly establish the trunk road for our commercial policy to follow.

CHINESE GOVERNMENT RAILWAYS

SHANGHAI-NANKING-PEIPING THROUGH EXPRESS.

TIME ARR.	TIME DEPT.	STATIONS	TIME ARR.	TIME DEPT.
8.00	—	PUKOW	—	19.00
3.10	3.15	LINHUAIKWAN	23.49	23.54
2.00	5.30	PENGPU	00.38	1.08
23.25	23.30	NANHSUCHOW	3.46	3.56
20.45	21.15	HSUCHOWFU	6.15	6.45
18.22	18.37	LINCHENG	8.47	9.02
17.15	17.26	TENGHSIEN	10.01	10.04
15.65	15.25	YENCHOWFU	11.50	12.10
14.34	14.36	CHUFOU	12.41	12.43
11.46	12.06	TAIANFU	15.19	15.39
9.00	9.30	TSINANFU	18.10	18.40
7.16	7.26	YUCHENGHSIEN	20.26	20.36
5.05	5.35	TECHOW	22.28	22.58
2.51	3.01	POTOUCHEN	1.16	1.26
1.31	1.51	TSANGCHOW	2.29	2.49
21.40	22.00	TIENTSIN (C)	7.06	7.26
—	21.30	TIENTSIN (E)	7.30	—
20.26	—	TIENTSIN (E)	—	8.00
20.05	20.21	TIENTSIN (C)	8.09	8.11
17.43	17.44	FENGTAI	10.41	10.42
—	17.15	PEIPING	11.09	—

PEIPING-HANKOW RAILWAY.

7.37	—	PEIPING	20.35	—
6.42	7.02	CHANGSINTIEN	21.30	21.10
2.57	3.17	PAOTUNG	1.15	00.55
22.16	22.56	SHIHCHIACHWANG	5.57	6.17
18.03	18.23	SHUNTEH	10.11	9.51
10.16	10.36	SINSIANG	17.45	17.25
7.09	7.39	CHENGCHOW	20.46	20.16
4.14	4.34	HSUCHOW	23.44	23.24
2.18	2.38	YENCHENG	1.45	1.25
23.07	23.47	CHUMATIEN	4.53	4.13
19.14	19.34	SINYANG	8.58	8.38
15.46	16.06	KWANGSHUI	12.25	12.05
10.32	10.37	KIANG AN	17.42	17.57
—	10.20	HANKOW (Tachimen)	—	17.54

PEIPING-SUIYUAN RAILWAY.

TIME ARR.	TIME DEPT.	STATIONS	TIME ARR.	TIME DEPT.
15.30	—	HSICHIMEN	12.01	—
13.47	14.07	NANKOW	13.48	13.28
12.24	12.34	CHINGLUNG-CHIAO	15.18	15.08
6.10	6.40	KALGAN	21.12	20.52
22.49	23.19	TATUNG	4.04	3.44
18.29	18.49	PINGTICHUEN	8.00	7.45
12.50	13.10	SUIYUAN	13.30	13.00
—	8.25	PAOTAO	—	18.00

LUNGHAI RAILWAY.

20.10	—	HSUCHOWFU	—	8.20
15.53	16.13	SHANHIUHSIEN	12.25	12.50
11.55	12.15	KAIFENG	16.44	17.04
9.47	10.07	CHENGCHOW	19.01	19.21
6.05	6.25	LOYANG	23.06	23.26
3.02	3.04	KWANYINTANG	3.03	3.05
1.33	1.35	HWEIHINGCHEN	4.22	4.24
0.33	1.03	SHANGHOW	4.52	5.22
—	20.00	TUNGKWAN	9.50	—

KIAOTSI RAILWAY.

—	22.00	TSINGTAO	—	7.35
23.50	23.52	KIAOCHOW	5.50	5.48
0.23	0.38	KAOMI	5.16	5.01
2.06	2.24	FANGZU	3.36	3.15
2.44	2.50	WEIHSIEN	1.38	1.36
4.02	4.04	TSINGCHOW	0.41	0.23
4.56	5.14	CHANGTIEN	0.01	23.59
5.39	5.41	CHOUTSUN	22.00	—
7.40	—	TSINAN		

CHENGTAI RAILWAY.

19.42	—	SHIHCHIACHWANG	7.58	—
18.14	18.16	TSINGCHINGHSIEN	9.29	9.27
16.00	16.15	YANGCHUAN	12.01	11.47
14.48	14.50	SHOUYANGHSIEN	13.52	13.50
12.40	12.49	YUCHIHSIEN	15.35	15.25
—	12.08	TAIYUANFU	—	16.07

SHANGHAI-HANGCHOW-NINGPO RAILWAY.

STATIONS UP.		Express R. Through	Express R.	STATIONS DOWN		Express R.	Through Express R.
ZAHKOU	d.	9.35	18.10	SHANGHAI, N.	d.	9.30	18.30
HANGCHOW	d.	10.60	18.35	JESSFIELD	d.	9.48	—
CHANGAN	d.	10.51	19.29	SICCAWEI	d.	—	—
YEHZAH	d.	—	20.01	SHANGHAI, S.	d.	9.35	—
KASHING	d.	12.04	20.44	SUNGKIANG	d.	10.48	10.35
KASHAI	d.	—	21.10	FUNGCHING	d.	—	—
FUNGCHING	d.	—	—	KASHAI	d.	11.34	—
SUNGKIANG	d.	13.13	21.59	KASHING	d.	12.08	20.50
SHANGHAI, S	a.	—	23.02	YEHZAH	d.	12.44	—
SICCAWEI	d.	—	—	CHANGAN	d.	13.17	21.57
JESSFIELD	d.	—	22.55	HANGCHOW	d.	14.12	22.50
SHANGHAI, N.	a.	14.10	23.10	ZAHKOU	a.	14.30	23.05

NANKING-SHANGHAI LINE.

STATIONS UP		EXP. R.	THRO. EXP. Zku-Nkg R.	Night EXP. R. S.	D.T. Night EXP. R.	STATIONS DOWN		Thro EXP. R. Nkg-Zku.	D.T. EXP. R.	Night EXP. R. S.
SHANGHAI, N.	d.	10.00	17.10	23.30	1.00	NANKING	d.	10.00	17.25	23.00
NANSIANG	d.	—	—	0.05	—	CHINKIANG	d.	11.34	19.02	1.06
KUNSHAN	d.	11.09	16.25	—	—	TANYANG	d.	12.17	19.43	1.58
SOOCHOW	d.	11.59	17.17	1.54	3.14	CHANGCHOW	d.	13.15	20.46	3.15
WUSIH	d.	12.54	18.12	2.58	4.21	WUSIH	d.	14.07	21.39	4.25
CHANG-CHOW	d.	13.56	19.09	4.02	5.21	SOOCHOW	d.	15.04	22.38	5.36
TANYANG	d.	14.48	20.11	5.07	6.21	KUNSHAN	d.	15.47	—	—
CHINKIANG	d.	15.34	20.56	6.00	7.12	NANSIANG	d.	—	—	7.33
NANKING	a.	16.50	22.15	7.45	8.40	SHANGHAI, N.	a.	16.50	0.25	8.00

NOTICE

1. Children under four years of age are carried free, children under twelve but above four years of age at half fares and children of twelve years of age and over must pay full fares.
2. For Local and Through Traffic, the following free baggage allowances will be granted to each passenger:—

   1st class passenger ..... 80 kilogrammes (143 catties)
   2nd class passenger ..... 60 Kilogrammes (100.5 catties)
   3rd class passenger ..... 40 Kilogrammes (67 catties)

   Half of these quantities will be allowed on each child's half ticket of each class respectively.
3. Any weight of baggage in excess of the free allowance will be charged at the rate for the minimum quantity of 20 kilogrammes (33.5 catties) of $0.002 per kilometre per unit of 20 kilogrammes.
4. In case of any holder of Local or Through ticket who abandons his journey en route and desires a refund on the unused portion of his ticket he must apply in person, and produce his ticket for endorsement to the Station Master where the journey is abandoned. Application for refunds must be made as soon as possible after endorsement and must in any case be made within TEN DAYS of the date of expiry of the availability of the ticket which has been endorsed.

Will America and England Be Allies in Next Far Eastern War?

(By a Correspondent in Manchuria)

It seems to be a generally accepted truism that the present-day world finds itself in the same position in which it was just before the outbreak of the Great War, namely, that it is beset by economic and political rivalries amongst the leading nations. It is even surmised in some quarters that the fight for markets may lead to another world-wide conflagration far exceeding in cruelty the previous one and from the after-effects of which the world seems to be suffering up till now. It has been explained by some observers, and probably not without a measure of truth, that the Japanese grabbing of Manchuria should be regarded as one of symptoms of this combat for markets, when the governing clique of Japan, put in a tight corner by distressed and ever-aggravating conditions at home, resorted to the old tactics of conquest and launched a series of military drives on the continent—as a result of which Japan now finds herself the mistress of Manchuria and the adjoining Province of Jehol.

The ruthlessness of Japanese action had amazed the world—the leading nations of which had vainly been trying to stop her on the war-path. The strongest opposition to her expansionist policy she had probably in the United States, the government of which in Japan's expansion had rightly detected a growing menace to the Western commerce, and initiated the so-called "Stimson policy" designed to safeguard the equal opportunities for all in China. While all this was going on, namely, Japan in full fight for Manchuria and the Americans initiating the "Stimson" policy, another great nation, rightly regarded as one of the mainstays of the Western world,—Great Britain —was standing by complacently as if the tragedy, then being enacted in the Far East, was of no concern to her. Her leaders, of whom Sir John Simon seems to be the most typical one, played a most strange role during the past two years, giving Japan a free hand in the affair. Now, however, the situation seems to have vastly changed—Great Britain is about to lead the entire world in economic warfare against its former ally. What has happened that Britain has so abruptly changed her front and opens a fierce attack on Japan?

The answer to this question came from an unexpected quarter, namely, the British industrialist has felt that his pocket is not of the shape he is accustomed to have it, and upon deliberating cooly on the origin of same has found that the absence of his customary profit is due to Japanese competition in world markets.

Japan Competes Strongly with Britain

The past two years were exceedingly misleading for British capitalists, because the temporary improvement of British trade, due to the cheapening of British currency and the Chinese boycott of Japanese goods, they regarded as a sign of a much longer period of prosperity. The years of intense business depression seem to have adversely affected the usual way of British thinking—they have failed to observe that the Japanese, ousted from the Chinese market, have been canvassing British colonies and gradually built up a firm foothold in every colony so that to-day British capitalists find themselves on the verge of being crowded out entirely.

The absence of customary profits from shares held by British capitalists has always been a major factor in British policies, and this "pocket way of thinking" has taken place in the present case, when the Federation of British Industries, the all-powerful organization standing behind the present Conservative Government, one day discovered that the fundamental reason of the disapperance of said profits lies in the intense competition from Japanese industry, which has in recent years made remarkable strides forward in European methods of production and salesmanship. Having discovered this, the Federation appointed a special committee for the further investigation of this problem and the findings of which were rather unexpected by the members of the Federation. They found:—

(1) That the Japanese population is increasing at a dangerously high rate, namely, within the next 20 years the population will increase by 20 millions, reaching the mark of 110,000, or Japan will not be able to feed, cloth and educate her population by her own means, hence she must inevitably strive for the further improvement of her industries and turn to a still greater aggressive policy in the world markets;

(2) That besides the present-day policy of high tariffs there cannot be found any other expedient which would relieve the present economic crisis, and in which warfare a significant role is to be played by Japan;

(3) That there is almost no limit to which the Japanese would depress their currency, which act they regard but as one means of fighting in the economic warfare;

(4) That, judging by present policies of the Japanese Government and ruling groups around it, there is no hope for the betterment of living conditions of Japanese laborers, whose wages and the general standard of living are incomparatively lower than those in Europe or America.

As an instance of low wages of Japanese workers in the rayon spinning industry, said to be especially improved in recent years, we might cite the following comparison between wages of Japanese and British workers per day, the data being submitted by Messrs. Sansom and Kermode, officials of the British Embassy in Tokyo, hence representing actual conditions (Cf. *Report* of Messrs. Samuel Montagu & Co., well known bullion and foreign exchange brokers in London, dated June 1, 1933:—

Wages	Japanese	English
Male worker	£ 0-2-0 d.	£ 0-12-10½d.
Female ,,	£ 0-1-⅛ d.	£ 0 - 5 - 8 d.

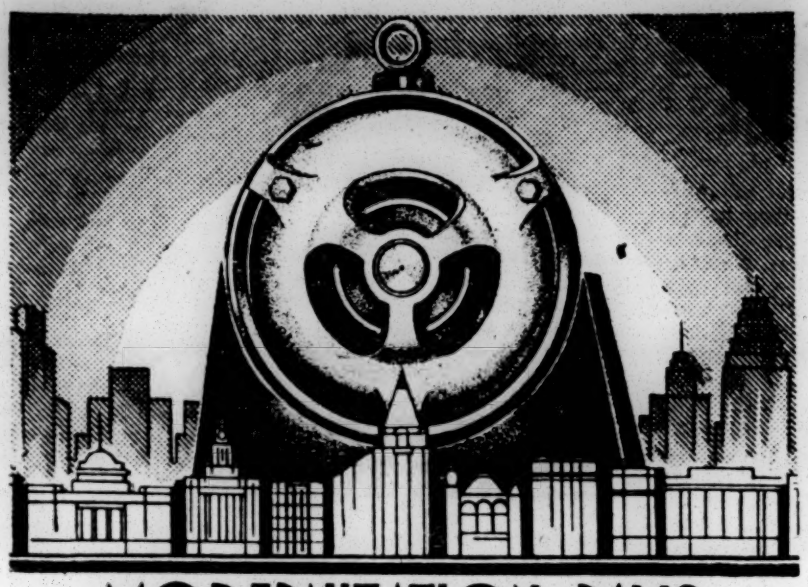
The comparison becomes more striking if one will take into account the great disparity in the duration of the working day—10 hours for the Japanese and 8 hours for the English. That such is the situation in other industries, as rubber goods, bicycles, electric bulbs, said to be especially competing in British markets, goes without saying. It means that an average English worker receives at least five times more for the same work, not to speak of a shorter working day.

Thus it becomes clear that having three major factors in their hands, namely, low paid labor at home, extreme fall of the yen and their own merchant shipping, the Japanese have been able to hit British commerce hard in nearly all Empire markets. It is obvious also that this competition from the Island Empire has no temporary character and that, on the contrary, it has every indication of growing further, to the utter annoyance of John Bull, inured to an easy mode of living.

British capitalists first tried to safeguard their interests by means of cheapening the pound sterling, which was effected on September 20, 1931; however, the measure fell flat for the reason that other countries too followed suit and hurried up with the debasing of their currencies. Japan, soon after the Manchurian invasion, also followed the British example and debased the yen even to a greater extent than the downfall of the sterling, thus wiping off the gain made by Britishers in the world markets. Several increases of customs duties on Japanese goods, effected in the meantime in British colonies, notably in India and South Africa, did not serve any a useful purpose, so that the British manufacturers and merchants, became convinced that, if they were to keep a leading position in the Empire trade, there was no other way but to discard the age-long policy of free markets and resort to protectionism. To such a conclusion they arrived at the Empire Ottawa Conference, held in the summer last year, and in compliance with one of its recommendations started discriminating against foreign goods, giving a 10 per cent preference to British goods in all units of the British Empire.

Hence followed the actual state of economic warfare between Great Britain and Japan, which has lately developed in the one-sided abrogation by the British Government of the Japanese-Indian treaty of commerce, soon followed by the same abrogation of the treaty between West Africa and Japan. Besides this, Egypt, the Strait Settlements, Kenya and Australia have in rapid succession increased their duties on Japanese goods, almost barring them from entry.

When analyzing this devlopment we find a certain inconsistency on the the part of the British Government, which fact shows how seriously it regards the situation: (1) in the beginning of 1932 the British Government protested against the French measures directed against the goods coming from the countries with depreciated currencies (then Great Britain and Japan were in the same boat); (2) the British Government had to await the



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outcome of the World Economic Confernce to convene in London and to adopt discriminatory measures only after the failure of the conference or being given a free hand in that respect, and (3) the abrogation of commercial treaties and the imposition of prohibitory duties on Japanese or any other goods in rapid succession, just on the eve of the said Conference were against the spirit of the Tariff Truce concluded by nearly all countries of the world in May last, and of which Great Britain was herself a sponsor. Such being the case, the indignation of Japanese commercial and governmental circles seems to be quite justified.

Besides the economic warfare going on between Great Britain and Japan, there is one more factor which gives food for thought, namely, the failure of the Disarmament Conference and the hopelessness of the World Economic Conference, now sitting in London. That there will be no disarmament goes without saying and requires no elucidation. The world has already merged into the armament race, the proportions of which far exceed the one it had prior to the World War. The chief contestants in that race at present seem to be the United States and Japan, the former having found itself far short of its treaty strength in naval armament. The declared building programs of both the countries, to be completed within three years, are as follows:—

	U. S. Navy	Jap. Navy
Aircraft Carriers	2	1
Light Cruisers	4	2
Destroyers	20	7
Submarines	4	12
Gunboats	2	-
Mine layers	-	2
Total units	32	24

Thus, something sinister is taking place in the general economic and political situation, in which we can already discern a new re-alignment of the Powers—the United States and Great Britain seem to be drawing closer to each other, nearer as never before, and the result of this friendship seems to be far reaching. It seems to be now most illogical to assume that, with so well pronounced and well rooted differences as at present, Japan and Great Britain will be able to renew the former military-political alliance. The opposite seems to be the case, namely when the war cloud bursts out in the Pacific basin—about which everybody seems to be agreed—the United States and Great Britain might join their resources to fight Japan. The recently concluded Four Power Pact, adding more confidence in the European situation for the coming ten years, has made it possible for Great Britain to release her entire strength for protecting her positon in the world and in the first place in the Pacific basin.

The Japanese statesmen are continuously harping on this possibility, foremost amongst whom comes General Araki, War Minister, who in one of his recent speeches said "In 1936 or thereabout the Yamato race will face a most serious situation—I impel the nation to be fully prepared to face it with the spirit of true samurais." Recently, namely, on June 25, the Kokumin Domei, a third party in Parliament, and regarded in Japan as the Nazi party in the making, referring to the necessity of replenishing armament, declared: "The next budget must be made with a view to safeguarding the Japanese position in the next naval parley. No matter which way the World Economic Conference may end, success or failure it stands to reason that the powers will succeed to a large extent in overcoming the depression. This will pave the way for them to carry out, in a few years, their cherished policy toward the Far East, even if it may be founded on their miscomprehension."

There seems to be still a breathing space before that "most serious situation" arises in the Far East and it would not be inappropriate to ask the present day Chinese leaders of all factions and creeds—Do you realize the gravity of the situation? Will China be prepared to face the crisis? And how?

Changchun, July 13, 1933.

China Needs a Strong Central Government

BY PAUL K. WHANG (汪仲芳)

THE Revolution of 1911 left China a legacy of militarism. For two decades we have been living in the age of feudalism. The authority of the Central government has gone no further beyond the Capital, while the rest of the country has been under the iron heels of warlords. The Flowery Republic has been virtually divided into many small kingdoms, each of which, under the despotic rule of a powerful military leader, has had its own government, its own army and its own tax system. For the purpose of maintaining their respective spheres of influence, they have vied with each other in enlarging their personal army and extorting money from the people to fill their war chests. Political bickerings have been of daily occurrence, and domestic fightings have been intermittent. As a result, the people throughout the country have been bled white, the domestic commerce and industry have been strangulated, and the country has been left in an indefensible position against foreign invasion.

Since the National government came into being, it is true that it has governed more provinces than the former regime, but its authority, nevertheless, has still been confined to the lower Yangtse Valley. It has attempted to achieve the unification of the country by either subduing its poltiical enemies or purchasing the allegiance of the "grey" generals, but its efforts have not borne much success. Indeed, several insurrections were successfully crushed by the Nanking government, but the downfall of one major warlord has always given rise to many minor ones; and therefore so far as the country as a whole is considered, it has not fared any better. Bribery may be an expedient and cheap means to purchase the loyalty of insubordinate generals, but the allegiance thus gained has been more nominal than real, and they may at any time take up arms against the Central government. Moreover, the South-western provinces have been openly in defiance against the Nanking regime, while the provinces in North China have been more or less in an independent state.

Many Local Disturbances

Since the Japanese invasion of Manchuria in the September of 1931, the Nanking government has renounced the use of force against recalcitrant military leaders, and employed it only in attempts to exterminate the Red-banditry. That, however, has not saved China from sporadic fratricide, and in face of acute foreign invasion, rival military leaders have still indulged in bickerings and fightings, notwithstanding the good offices of the Nanking government and the appeal of the Chinese people. Last year two major civil wars were fought in Shantung and Szechuen respectively with great loss of lives and properties. This year, with still six months to go, many local disturbances have already occurred in such remote provinces as Sinkiang, Kweichow and Sikong. Recently the Nanking government has been faced with three major cases of insubordination and open revolt, each of which has reflected greatly upon its prestige.

The Charhar situation in which Marshal Feng Yu-hsiang has played a prominent role is the most ticklish of all. He has denounced the Tangku Truce and appointed himself the commander of an Anti-Japanese force. In his circular telegrams, he has declared that he has been determined to fight the Japanese with his two guns to his death. Under the banner of fighting the Japanese, he has levied an arbitrary tax upon the people and has organized a big army of 100,000 soldiers. For weeks the Nanking government has sent delegate after delegate to Kalgan to persuade him to leave Charhar with the promise of giving him and his followers government posts, but so far all the offers have been flatly turned down by him. In view of his past deeds or misdeeds, one can not help wondering if his present motive is as patriotic as he has professed to be. If he really has a mind to render a great service to his country, why should he start his campaign after the hostilities in North China were definitely settled? How long this farce will last, can not be told, but that this flagrant case of open revolt will do much damage to the good name of the Nanking government goes without saying. With no prospect of a peaceful settlement of this deadlock situation, the Nanking government is preparing to launch a punitive expedition against him. The Japanese, as reported, have also organized forces to drive him out of Kalgan. Whatever will be the outcome, our people will suffer the most.

In Szechuen fighting has gone on for weeks between Gen. Liu Wen-huei and Gen. Teng Shih-hou, an ally of Gen. Liu Hsiang, the nephew of Gen. Liu Wen-huei. These two Lius, the contending military leaders of Szechuen, fought a long drawn out battle last year in spite of the mediation of the Nanking government. Szechuen has already been known to the world as the hotbed of civil wars, and hardly a year has passed without some serious fightings among the rival military leaders. The province, being the biggest in China, has been for more than ten years ruled by more than ten military men, none of whom, however, has been strong enough to subjugate his rivals and claim the rule of the whole province. Texas of various appellations have been levied upon the people and collected many years in advance. According to the latest dispatches, Chengtu, the provincial capital, has been occupied by Gen. Teng's force, and Gen. Liu Wen-huei has been ready to announce his retirement. The retirement of Gen. Liu may pave the way leading to a temporary peace, but the Szechuen situation is by no means liquidated.

Hitherto insubordination has been confined to the army, but now it has also spread to the navy. On June 20, three warships, "Hai-Chi", "Hai-Shen" and "Chao-Hu" of the Peihai Squadron steamer out of Tsingtao as a result of their failure to overthrow Admiral Sung Hung-lieh, Commander of the Northeast Fleet and mayor of Tsingtao. Since their deflection, the Nanking government has been very anxious about their whereabouts, and ready to offer a price to purchase their allegiance. These three antiquated warships, though they have long outlived their legitimate age and are not suitable for any more active service, are still considered as very useful instruments in domestic strife. Therefore the Nanking officials can not afford to see them falling into the hands of their political opponents. But to their dismay, these three warships have now definitely joined the Southwestern Navy. What worries the Nanking officials still more is the fact that three more Northeast warships, "Yung Hsiang," "Tsu Yu,," and "Hai Eu" are now also on their way to join the Southwestern Navy.

Anti-Civil-War Alliance Lapses into Lethargy

It is obvious that no artificial measures can be devised effective enough to thwart the cases of insubordination thereby checking the recurrence of civil wars. To the self-centered militarists, the welfare of the country is no concern. So long as their soldiers follow their dictates, they really have no need to respect the public wish. Last year an Anti-Civil-War Alliance was organized and a conference was held in Shanghai with the participation of delegates from all over the country. But with the lack of universal support, this movement can not be expected to be carried on with much success. This year we do not hear very much of this movement which has evidently lapsed into lethargy.

We can not check the recurrence of civil wars, if the root of militarism is not first removed. The Central government may purchase a temporary peace through offering a price to the insubordinate generals, but the practice of bribery will not only whet their appetite for more, but will cause disaffection among the otherwise loyal generals. A general whose allegiance can be purchased is apt to change sides when a better price is offered to him. He is more a liability than an asset to the Central government, because while his service can not be counted on, his mammoth personal army must be supported at the expense of the Central government. If an account is kept, the money spent by the Nanking government for purchasing the allegiance of various generals must be enormous. It now becomes a fashion that whenever any general has a cause of grievance against the government, the first thing for the government to do is to increase his monthly allowance. Thus the burden of the government has been becoming heavier, while the military men have been getting richer every day.

With Manchuria and Jehol forcibly occupied by the Japanese, we, of course, must by all means maintain our domestic peace and reorganize ourselves so as to enable us to recover our lost territories in future. Under the present deplorable state of affairs, it is useless to talk about the war of revenge when our house is in such a topsy-turvy state. So long as China is as divided as she is today, not only can she not recover her lost territories, but she soon invites further foreign invasions. In order

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to build up a united and strong China, the Nanking government must by all means subjugate all the insubordinate generals and enforce its orders throughout the country. Although these drastic measures may entail a civil war of the first magnitude, it is the only effective means by which a strong Central government can be formed and the intermittent civil wars can be stopped. We can not afford to leave the present situation to run its natural course and must seek out a way for its immediate liquidation.

Shanghai, July 17, 1933.

How "Manchukuo" Was Created

The succeessive stages which the Japanese authorities have gone through in their determined efforts to bring the Northeastern Provinces under their control and which culminated in the creation by the Japanese officials of the puppet regime known as "Manchukuo," are vividly narrated in Information Bulletin No. 7, which contains the above title, issued July 1 by the Ministry of Foreign Affairs.

The Japanese Government and the Japanese publicists have always boldly asserted that the puppet regime is the product of a genuine and spontaneous independence movement and that the Japanese authorities have always assumed a merely benevolent attitude towarde its preordained fate. This assertion, however, is conclusively disproved by unmistakable evidence given in the Ministry's Bulletin. It will be recalled that the Lytton Report as well as the report by the League Assembly definitely held the Japanese responsible for the conjuring up of this spectral phenomenon. Speaking of the existence of the puppet regime, the Lytton Report says:

"The evidence from all sources has satisfied the Commission that while there were a number of factors which contributed to the creation of "Manchukuo," the two which, in combination, were most effective, and without which, in our judgment the new State could not have been formed, were the presence of Japanese troops and the activities of Japanese officials, both civil and military. For this reason the present regime cannot be considered to have been called into existence by a genuine and spontaneous movement."

Again, the report by the Special Assembly of the League of Nations, in commenting on the apparition of the puppet regime, says:

"A group of Japanese civil and military officials conceived, organized and carried through the Manchurian independence movement as a solution to the situation in Manchuria as it existed after the events of September 18 and, with this object, made use of the names and actions of certain Chinese individuals and took advantage of certain minorities and native communities that had grievances against the Chinese administration. This movement, which rapidly received assistance and direction from the Japanese General Staff, could only be carried through owing to the presence of the Japanese troops. It cannot be considered as a spontaneous and genuine independence movement."

From such verdicts there is no appeal.

France Adds Nine Islands to Eastern Possessions

A *United Press* telegram from Paris July 13, stated that France has added nine islands in the Pacific ocean to her Far Eastern possessions. According to dispatches from Saigon the French despatch boats *Alerte* and *Astrolabe* took the islands in the name of France and raised the French flag with appropriate ceremonies. The islands are almost due east of Saigon and between Saigon and the Island of Luzon. They appear on some maps as dots with names. A later telegram from Paris stated that the Quai d'Orsay professed complete ignorance of the matter.

Peiyang Official Creates Sensation in New York Speech

Of a $10,000,000 fund subscribed by Chinese and Koreans living in the United States, only $360,000 reached its intended source, the Cantonese 19th Route Army, famous for its resistance to the Japanese at Shanghai, Dr. Kiusic Kimm, secretary of Peiyang University, Tientsin, declared before a mass meeting of 200 Chinese and Koreans at 64 Mott Street, New York June 17.

What Has Japan Won?

(Christian Century, Chicago, June 14)

THE truce arranged between Japan and China brings to an end, at least temporarily, almost nineteen months of continuous fighting in the far east. In that period Japan has overrun Manchuria and Jehol, occupied and evacuated the Chinese city of Shanghai, opened the way for a later occupation of Inner Mongolia, and pushed her armies through the passes in the great wall upon the plains of north China. The armistice leaves her in possession of a strip of territory running down to the environs of Peiping and Tientsin, and able to occupy those cities at any time. So feeble has been the Chinese been demonstrated that, should the Tokyo war office decide military necessity demanded, the Japanese occupa- resistance to the later phases of her advance that it has tion could be extended over all north China as far south as the line of the Yellow river without difficulty.

In the eyes of the military group which controls Japan, this outcome from less than two years of campaigning constitutes a complete justification for the course on which they have embarked their nation. The losses in battle—according to the officially announced figures—have been trifling; less than 12,000. The defeat of the Chinese, except at Shanghai, has been overwhelming, humiliating. Yet it must be true that, as sober-minded Japanese reflect upon the position in which the armistice leaves their nation, they must recognize that the final accounting in this venture is not all on the credit side. Tokyo militarists will naturally try to keep the eyes of the nation concentrated on the assets which their resort to arms have seized. But there are those in Japan who know that certain liabilities incurred must be taken into the reckoning before it can be known whether it has really won in this fighting, and if so, what.

The Fruits of Victory

What will the Tokyo general staff point to as the principal fruits of victory? First of all, territory. An area of more than 400,000 square miles has been occupied, and a strategic situation created which will make possible the easy extension of that occupation over territory almost as large again. Over most of this region a puppet government has been set up, so obviously a creature of Japan that the political situation would hardly be affected should formal annexation later be announced. To the burdened Japanese masses who have been crying their need for some outlet from their overcrowded land, the militarists can thus point to the acquisition of territory available for colonization—much of it almost virgin farming and forestry lands—almost three times as large as the area of Japan proper. And to Japanese of all classes they can show the spectacle of a scattering of flags across a map which, until recently, has been accounted in all nations a sufficient justification for any policy.

To the industrial interests of Japan, her militarists will point out the economic gains, immediate and potential, involved in the occupation of Manchuria and Jehol. It is astonishing that Japan should have been able to have developed so important an industrial life as she has on her meager resources of such basic commodities as coal and iron. The factory and foundry owners of Kobe and Osaka will be told that their future is much more secure now that these raw materials, found so abundantly in Manchuria, are fast in the Japanese grip. Moreover, the problem of feeding the hungry Japanese masses will seem much easier of solution with the wheat and soy bean areas of this potential "bread-basket of the orient" policed by the Japanese army. And there is more than a possibility that the financial difficulties involved in such an imperialistic adventure, as well as some of those in the internal Japanese situation, may be at least eased by drafts upon that opium cultivation which has made multimillionaires of the irresponsible Chinese war lords who have been driven out of Jehol.

To Japan's politicians, the staff will point out the advantage gained by the winning of a free hand in Asia. There are, to be sure, certain limitations to this freedom, for no nation, however powerful, can have unqualified freedom of action in the modern world. But the Japanese victories have given that empire a position of uncontested military primacy in the far east, and that primacy does make it possible for Japan to play, within the theater of oriental events, a part even more determinative than in the past. Out of it all, therefore, there has come a satisfaction of national pride which, for the time being, will hold the nation on a level of patriotic rejoicing even higher than that reached following the victories over China in 1895 and over Russia ten years later.

But now let us look at the other side of the ledger. If these are the gains on which the militarists will concentrate the attention of the Japanese people, what are the other items which the more thoughtful Japanese will see must be taken into account? First, the hatred of the Chinese. It has been possible, it is true, to reduce to impotence the hostility of the divided and self-seeking Chinese war lords. But the hatred of the masses of Chinese is something else again. It may be slow in registering its effects, but they will be cumulative and terrible. It has already pushed China far toward an understanding with soviet Russia, thus increasing that very danger of the spread of communist influences which Japan declared to be one of the reasons for its military intervention. No one, even in Japan, has seriously questioned the verdict of the Lytton commission that Japan's future prosperity depends on full access to the entire Chinese market. And although the Japanese military efficiency may have made the Chinese armies look grotesque, the presence of that accumulated mass of hatred, festering in the souls of four hundred million people, will induce a perpetual nightmare in the dreams of those who inhabit the Tokyo war office.

This plunge into imperialism has involved Japan, in the second place, in an enormous increase in military expenses. Already it has been abundantly shown that the territory recently absorbed can be policed only by constant vigilance and the use of great numbers of troops. What is the military estimate of the size of the forces needed to hold in subjection 400,000 square miles of territory, almost all of it hostile and much of it exceedingly difficult to patrol? Japan's military budget was breaking the backs of her people before she embarked upon this adventure; what will it be now? Already, it is to be noted, her navy department has served notice on the Geneva disarmament conference that she will demand naval equality with Great Britain and the United States in 1936. Who is to pay for that? And how much?

Japan Took Law into Her Own Hands

Such a mad increase in military and naval expenditures is caused, of course, by a third result of this resort to arms. Whatever Japan has gained, she has lost the confidence of the rest of the world. She has shown herself a treaty-breaker. She stands as the first nation to be solemnly adjudged guilty of bad faith by her sister nations. Because of this her military and naval staffs feel that they must police the gains thus seized in defiance of world opinion with an overwhelming display of force. All things considered, this is probably the most pitiable loss suffered by Japan, because it has been the most unnecessary. As the plea of Mr. Matsuoka at Geneva showed, Japan had a sufficient case, had she originally laid it before the League of Nations under the provisions of her treaty and covenant commitments, to obtain a world verdict in her favor. At the worst, she would certainly have divided world opinion. As it was, she took the law into her own hands, resorted to a military invasion, and as a result she finds herself politically and morally isolated. The only approach to support on the part of an important nation has come from France, and even France—when confronted with realization of the precedent involved—has not dared to come into the open to condone Japan's treaty-breaking.

Moreover, as thoughtful Japanese reckon up the costs of conquest, they must feel in addition that their nation is no nearer a permanent solution of the problems involved in her relationships with China than she was before. There is no more unity, no more solidity in the Chinese political situation than there was before. There is more, rather than less, danger of a spread of Russian influence. Even in Manchuria it may easily turn out that no economic gains have been registered which might not have been realized by pacific means. China is, for the moment, helpless. But it is far more a helplessness caused by her own chaos than by the Japanese advance. The truce, therefore, may hold. And it may not. Essentially, the war office solution has only enlarged the problem for Japan. It must be clear to every informed Japanese that it has not solved it.

And what is the rest of the world to think about the position in which the conclusion of this truce leaves the far east? There will be relief, of course, that the slaughter has come to an end, and a hope that the truce may prove strong enough to guard against a resumption of hostilities. But there will be recognition that, by the deliberate choice of her militarists, Japan has, in these last nineteen months, placed herself and eastern Asia in a sort of special category. She has rejected the only basis on which it is possible to continue as a part of the normal company of treatybound and treaty-respecting nations. She has, of her own will, stepped outside that category, into a world of her own—a world founded on force, to be policed only by force, and acknowledging no law or authority beyond force. So long as she elects to stay in that world, the other nations will not interfere with her. Neither will they, if they maintain the policy of the Stimson doctrine which has been affirmed by the members of the league, do anything to make it easier for her to finance the costs of living in a force-maintained situation. And therefore we retain faith that there is still enough sober-minded and clear-thinking opinion in Japan to convince that nation, after the first hysteria following this conquest has passed, that such gains as the militarists have won have cost more than they are worth.

U. S. China Foundation Appropriates $402,000

The Board of Trustees of the China Foundation for the Promotion of Education and Culture, at its ninth annual meeting in Shanghai July 14 decided to give $402,000 as grants-in-aid to 14 educational, cultural and research institutes for the fiscal year 1933-1934.

The trustees present at the meeting were Dr. Tsai Yuan-pei, Dr. Y. T. Tsur, R. S. Greene, S. G. King, H. C. Zen, Singloh Hsu, Dr. J. Leighton Stuart, and J. E. Baker. Nelson T. Johnson, American minister to China, was represented at the meeting by Paul R. Josselyn, consul attached to the local American consulate. Shen Peng-fei represented the Ministry of Education and Liu Shih-shun, the Ministry of Foreign Affairs.

Shanghai Movie Queen Acclaimed in San Francisco

The San Francisco newspapers published flattering articles concerning Miss Nina Barsamova, recently crowned "Movie Queen of Shanghai" when she arrived in San Francisco on the Dollar Liner *Pres. Hoover*, June 12. It was mentioned that she won the title during the latter part of April at the International Charity Carnival held to aid the "School for Poor Russian Children" building fund. The Carnival was sponsored by R. Stanley Dollar of San Francisco, President of the Dollar Steamship Lines; Sir Victor Sassoon, and other distinguished Shanghai residents including Mrs. Edwin S. Cunningham, wife of the American Consul, the Rotarians and the Motion Picture Association of China.

Jews in Shanghai Support "Great Asia" Movement

A recent Shanghai dispatch to the *Ashai* depicted the Jews resident in China as earnest champions of the Great Asia movement. The dispatch goes on to say that N. E. B. Ezra, a leader of the Ezra interests, which control the financial world of Shanghai visited the Japanese commercial commissioner in Shanghai and signified his intention to suspend transactions in German goods and trade in Japanese goods instead. The Jews in China call themselves Asiatics, not European people, and have ever been desirous of co-operation with Japan, the message stated.

Japanese Cigar Lighters Charged with Violating U. S. Patents

The Tariff Commission at Washington has ordered hearings on September 19 to determine whether to invoke the provisions of the tariff regulations dealing with unfair trade practices against Japanese cigar lighters on complaint of the Newark Art Metal Works in connection with patent regulations. The law permits prohibition of the importation of goods violating the law. The commission has notified the Japanese firms concerned to file their defense before September 11.

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China's Fundamental Problem---Raise Living Standards

BY T. V. SOONG

(The following is the complete text of T. V. Soong's address delivered at the World Economic Conference at London).

IN other countries we see over-production, surplus, glut; in China, scarcity, under-development, and the paucity of means to purchase. Contrast our development, for example, with that of the United States, which in area, climate, and resources offers a close parallel to China. We have to-day 7,000 miles of railways as against 275,000 in the United States of America; 20,000 miles of motor roads as against 3,000,000 miles. Other forms of industrial and commercial development are just as disproportionate. The foreign trade of China has been increasing, but it is still trifling in relation to our population. In 1932 it reached the figure of $4,000,000,000, Chinese currency. There are delegates here from countries where foreign trade amounted to nearly £130 per capita. Ours is more like 7s. per capita, and this in a country of virile, industrious people comprising one-fifth of the human race and endowed with immense though undeveloped natural resources.

A Decisive Factor

If the standard of living in China is raised, as we mean to raise it, her consuming powers will not only absorb our own industrial production, but also provide the greatest of all markets for the world—so great as to be a decisive factor in a new era of prosperity. China offers the greatest possible opportunity for the productive employment of capital—Western capital and Chinese capital together. Surely it should not be beyond the statesmanship of the world to find a form and method which will satisfy the ideal of Dr. Sun Yat-sen of securing on the one hand the political and economic independence of China, and, on the other hand, affording Western capital, industry, and commerce a profitable field for development.

It is the first task of our Government to establish its own system soundly. It is its next task to co-operate with others in a sound world policy. We balanced our 1932 Budget and carried through successfully a conversion of our internal debt. I do not wish you to infer here that we have been able to take care of all the loans contracted by China before the formation of the National Government in 1927. Some of them are in default. The situation does, however, suggest that, if the Chinese Government has been able to carry on in face of natural calamities, internal difficulties, world-wide economic depression and foreign invasion without borrowing, it would not prove an insuperable task to compose her just obligations once these difficulties are partially or entirely removed.

We have also carried through the enormous work of reconstructing the dykes on the Yangtze and other rivers destroyed by the 1931 floods. Five thousand miles of embankment were built, and the dykes have been so strong that the 1932 floods made not a single breach in them; the area devastated by the 1931 floods, the home of 43,000,000 people, last year had bumper crops. I am glad that the League of Nations, which has provided us with valuable technical advice in regard to this problem, is also helping us in other economic problems.

You in the Western world are experiencing the difficulty of managed currencies, which fluctuate in relative value from day to day and thereby dislocate foreign trade. We have similar difficulties in China, because, although the Chinese currency is metallic and not managed, there have been violent fluctuations of the price of silver in relation to gold and to non-gold currencies. Silver is now at a very low price, and I hope that, while other commodities rise in relation to gold, silver will do so also. More important than an increase in the value of silver, however, is that it should have a reasonably stable value. I hope, therefore, that while stabilization is being sought for gold currencies, it may also be found for silver, which is the currency of China's vast population as well as being of great interest to the almost equally vast population of India.

No Isolation Policy

A few people in my country and a larger number in other countries in Asia believe that Asia has little to learn and nothing to fear from the West. They urge us to combine Western technique with the low standards of living in the East, and they say that by so doing we shall capture the markets of the world, and exclude Western co-operation in the name of "Asia for the Asiatics," and a so-called "Monroe Doctrine for Asia." Such doctrines are alien to our conceptions of international intercourse, and we do not propose to follow them. We reject national or regional isolation.

It is the settled aim of my Government to develop the consuming power of China. We mean so to reorganize our country that we can raise the standard of living of our people. Economic development, the exploitation of our natural resources, are our constant preoccupation. We desire to achieve this by methods which will advance international co-operation and benefit from it. We welcome Western capital and skill. We desire to maintain a fiscal policy which will not prevent the entry of foreign goods.

Use of Tariff Autonomy

It is some years now since we were relieved of one of the antiquated treaty restrictions and secured our full autonomy in tariff affairs. We have not used that freedom to build up a protective tariff wall; on the contrary, we desire to see the world as an economic unit, whereby each country will develop along lines best suited to the genius of its population and the nature of its resources rather than pursuing the will-o'-the-wisp of economic self-sufficiency. We have a lower level of tariff rates than most countries; what duties have been imposed are purely fiscal in their purpose, and anyone who knows the difficulties of direct taxation in China will understand why tariff revenue is for us so important.

This Conference quite naturally confines its discussions to common problems of an economic and monetary nature; but we should indeed be lacking in a sense of reality if we imagined that success here can be lasting if a satisfactory solution is not found also for the problems of disarmament and security.

Fate of Filipino Independence Bill Still Uncertain

The fate of the Philippines Independence Bill was still uncertain July 17 after the Insular Legislature convened in regular session. With legislative leaders divided on whether to accept or reject the independence law, the present session is expected to be stormy. It is predicted it may even surpass in this respect the struggle a decade ago when the Nacionalista party, the majority party in the legislature, split into two rival camps—the collectivist and unipersonalist—on national issues.

Action on the Hare-Hawes-Cutting law, likely to provoke prolonged parliamentary debates between the advocates and enemies of the act, may delay consideration of other important legislation.

The rejectionist group in the Legislature, headed by Manuel Quezon, appears to control a sufficient majority to vote for rejection of the independence law when it comes up for consideration.

Manchukuo Denies Entry to Upton Close

Upton Close, well known authority on Far Eastern Affairs, who is conducting a party of American tourists, has been denied entance to Manchukuo. As a result Mr. Close will remain in Peiping while his party tours Manchuria. Mr. Close in a recent interview characterized the Manchukuo-Japanese action as superbly silly. Mr. Close among other things said: "Probably the true explanation of the talk of barring an American citizen from Manchukuo is the desire of Mr. Ohashi's Foreign Office there to force America's hand on the recognition controversy. May be Mr. Ohashi thinks I am mainly responsible for influencing the American government against recognition. If so, he is wrong. I haven't the slightest influence with the American government and Mr. Stimson quite failed to consult me on his famous 'policy'." Mr. Ohashi was formerly Consul in Los Angeles and gained much pro-Japanese support in that city by his banquet-giving ability.

Opportunities for Trade With United States

The following firms located in various parts of the United States desire to establish connections in China. Readers of *The Review* who may be interested in communicating with these firms, are advised to write to the American Consul-General at Shanghai, mentioning the number of the special item.

138/ A Philippine Islands firm desires to market narra and red and white luaun timber in Shanghai.

139/ A New York firm desires to market radio receivers, and material, in Shanghai.

140/ A New Castle, Indiana, firm desires to market radios and carpet sweepers in Shanghai.

141/ A Cincinnati firm desires to market electric refrigerators.

142/ A New York firm desires to market electric refrigerators.

143/ A Pacific Coast firm desires to market canned fruits, jams and jellies, fruit juices, sharks fins, bathing suits and hosiery. (Price list available.)

144/ A Pacific Coast firm desires sales outlet for dried salted salmon.

145/ A Chigaco firm desires to market automotive oil filters.

146/ A Brooklyn, N.Y. firm desires to buy Dragon's Blood.

147/ A New York firm desires to purchase reeds to be used for shoe trees.

148/ American firm desires represent Shanghai fur houses on brokerage basis, and to sell furs on a commission basis.

149/ Chicago firm desires to market its lines of plastic solders put up in one ounce tubes. Price list and catalog on file.

150/ A Miami, Fla. firm desires to import ramie grass in large quantities.

151/ A Los Angeles firm desires to import raw pickled sheep skins, gazelle skins and Chinese goat skins.

152/ Los Angeles firm desires to market its line of gas operated baking ovens. Catalog and price list on file.

153/ An Indiana firm desires to market polishing machines and materials for treatment of floors.

154/ Philadelphia organization desires to purchase bed mats known in the Philippines as "Pa-ta-te."

155/ A Cincinnati firm wishes an agent to market all kinds of office furniture, equipment and stationery.

Chinese and Japanese Delegates Selected for Banff Session

Sixteen men and women will represent China at the approaching Institute of Pacific Relations to take place August 14-28 at Banff, Canada.

Those who are to go from China include the following:

Dr. Hu Shih, leader and one of the vice-presidents of the Institute; Mrs. Sophia C. Zen, editor of the Symposium on Chinese Culture, Dr. Herman C. E. Liu President of Shanghai University; Miss Wu Yih-fang, President of Ginling Girls College, Nanking and Dr. P. C. Chang, Dean of Nankai University, who is at present lecturing at the University of Hawaii as exchange Professor. Representing Chinese economists are: Chen Han-seng of the Academia Sinica, Nanking; Miss Djang Siao-Mei, director of Research department of Bank of China; Dr. Daison Chen, who joins the group from London and Mr. P. N. Chu, who is now a research student in the United States. As men of affairs are Dr. F. T. Z. Tyau formerly of the Waichiaopu; C. S. Shen, director of the British and American Tobacco Co., Dr. Y. Y. Tsu, director of Social work at the Peking Union Medical College; Hubert Liang, secretary of the National Y.M.C.A. and K. C. Li, President of Hwa Chang Trading Corporation, New York; Liu Yu-wan; Y. C. Hoe. Mrs. M. T. Z. Tyau and Mrs. Y. Y. Tsu are accompanying their husbands. Secretaries: Paul Chi Meng, C. C. Liang, V. Y. Ting.

Japanese Delegates to Banff Conference

The Japan Council of the Institute of Pacific Relations has tentatively chosen the following as members of the Japanese delegation.

Dr. Inazo Nitobe (Director or Japan Council);
Dr. Masaji Anesaki (Professor of Tokyo Imperial University);
Dr. Ko Nasu (Professor of Tokyo Imperial Agricultural University);
Dr. Junpei Shinobu (Scholar on International Law);
Yukichi Iwanaga (Managing Director of the Shimbun Rengo);
Sobei Mogi (Professor of Waseda University);
Count Michimasa Soyejima (Member of Upper House);
Kamekichi Takahashi (Popular Political Economist);
Professor Yasaka Takagi (Tokyo Imperial University);
Professor Kenzo Takayanagi (Tokyo Imperial University);
Professor Teijiro Ueda (Tokyo University of Commerce);
Yusuke Tsurumi (Noted Publicist);

H. G. W. Woodhead, editorial associate of The Shanghai *Evening Post*, will also attend the Banff Conference, as a member of the British delegation.

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The Need of an Immediate Stabilization of North China

(Special Peiping Correspondence)

NOW that the Tangku Armistice had concluded a sad page in the history of Sino-Japanese dispute, it remains for the Government to make the best of a situation which it had accepted as inevitable. Experience of the past twenty months should have taught this: that unless our factual frontier is made impregnable, not only the recovery of the lost provinces is out of the question, but a further impairment of national territory always looms as a possibility. In view of this, North China which now stands foremost in the line of national defence should be stabilized as soon as possible. No chance is to be taken here.

Under the Republic as under the Empire, North China has borne by far the larger share of the country's misfortunes. Since the Japanese invasion, this plight has been daily aggravated so that a crisis of the first magnitude is being felt everywhere, which if unsolved would be a disaster pure and simple. And though the tide of alien intrusion has for the time being subsided somewhat, the inherent ills and dangers continue to play havoc with this section of the country. Of these a few need be mentioned, to illustrate the grave nature of the problems outstanding: the maintenance of the ever-swelling surplus armies; the staggering burden under heavy and unauthorized taxes and levies; the nefarious activities of disgruntled politicians and unscrupulous renegades; the uncertain allegiance of the Mongolian Leagues and Banners; the inarticulate relationship among the Northern provinces; the political chaos in Chahar and Sinkiang; etc., etc.

To triumph over any one of these hardships, not to say them all, is no easy task. But when the strategic importance of North China is clearly realized, no cost can be deemed too high or sacrifice too great for its immediate stabilization. So if the Government does not mean to dodge responsibility, it would do well at least to adopt a program of reform for North China which will be at once comprehensive and effective.

As national defence is the fundamental premise on which all the other phases of a state's life are built, the military situation will be examined first. A disquieting sign of the hour manifests itself, strangely enough considering that active operations were over, in the steadily growing size of the already surplus armies. The explanation for this is simple. During resistance campaigns against the Japanees extensive recruiting and indiscriminate absorption were resorted to as sources to provide for the necessary fighting strength or sheer men power. The momentum of swelling evidently takes time to slacken itself down. But with the conclusion of the armistice such practices should be instantly discontinued. And this not because the Japanese peril is past, but because even anticiptaion of a graver crisis dictates it.

Reorganization of Northern Defences

Aside from the ban on numerical increase, the reorganization of the Northern defence necessitates other measures. The negative policies of disbandment and economy should be stringently pursued to attain the positive aims of efficiency, discipline and unity of command. This sounds paradoxical, but, like many paradoxes, is nevertheless true. Let us see why.

The futility of fighting with superior number and bravery against heavy odds in armaments and general upkeep has been fully demonstrated by the recent Sino-Japanese hostilities. If China has not learned the lesson before, it is still not too late to take it to heart now. She ought to realize that the farce of maintaining the biggest army on earth with the least defence value should not be allowed to go on. As an initial step towards reform she must eliminate from the ranks of her army those whose age and state of health make them unfit for active service and either send them back to their homesteads or turn them into some profitable industry. If this process of disbandment is carried out indiscriminately among all the army units, the economy in military expenditure thus effected would be enormous. Then, and then only, will the Government have the wherewithal to feed and pay national defenders regularly and equip them with up-to-date armaments. Then, and then only, will the morale and efficiency of the army leave little to be desired. As the consummation of the new scheme, a centralized control and unified command should be established over the several units which henceforth are to regard themselves as national forces no matter from which provinces they hail or under which commanders they happen to be—a state of mind which equality of treatment cannot fail to inculcate.

Lifted to such a level, the soldiery may be safely entrusted with the protection of the nation against external invasion. When it is demobilized, its relation with the populace will improve in proportion as its discipline is blameless. And this better relationship will tell profoundly when the time calls for strong resistance to further Japanese aggression. In view of this last contingency, it is, moreover, absolutely indispensable that military strongholds be erected at such strategic points as Paoting, Kalgan, etc.

Whereas we stress the unity of command as the ultimate goal of our military reorganization, we do not think it advisable for the Government to adopt a program of intense political centralization vis-à-vis North China. The crisis in this part of the country is too great to warrant such an experiment. Therefore the North China Political Adjustment Council, with its existing composition, is, for the time being at least, a commendable solution. It is commendable because its membership embodies the happy principle of local and central co-operation, of expert counsel and political leadership. There the responsible provincial chairmen confer with the social, financial and educational leaders; there the military element is tempered by a civilian group, while over them all presides a man who has seen service in both. Its outlook is distinctly different from that of the Branch Political Councils which had unfortunately played a sinister role in the first few years of the existing regime. Given enlightened guidance, it may grow into a system worth application to other parts than North China.

Much, however, lies outside the province of the Council. Its function as the organ of political adjustment in the North has been too much confined to the Peiping-Tientsin area or at most to the threatened provinces of Hopei and Chahar. This is perhaps to be explained by the fact that its institution was immediately occasioned by the Japanese menace. But since the truce has suspended Sino-Japanese armed struggle, the council should tackle in earnest the political problems which need adjustment through the length and breadth of North China.

New Deal in District Administration

Chief among these is a new deal in district administration. In view of the fact that the mass of the population live in the country districts and that magistracy is still something patrriarchal, combining, as it does in many places, the executive, the law promulgator and the judge in one person, it bids fair to hold the key to the eventual political stabilization of the North. This is especially true with respect to the rehabilitation of the hsiens within the war area. Having shared the usual maladministration under Chang Hsueh-liang, these are open to temptations of Japanese propaganda and gold, and unless an eleventh-hour effort is made to win back their dwindling allegiance they may fall any time into the fold of "Manchukuo" or simply turn themselves into another puppet state.

Obviously the most effective way of reforming the magistracy lies in the choice of right magistrates. In addition to, or even in spite of, the Civil Service qualification that only those who pass government examinations can be appointed to magistracies, the nominee must possess the following qualifications. He must either be a native of the province in which his post lies or have such a winning personality as to endear him wherever he goes. He must also possess tested integrity and competency, considering the lucrative opportunities and immense tasks attached to his office. Lastly but not least, he must be of unusual courage to be able to discharge service of such consequence. If a rich crop of right magistrates can be raised, not only the war area

but the whole of the disturbed North will be pacified in due time.

The reforms detailed above and others to follow require a high finance which is by no means in sight. It is not necessary to say that the North is unable, under the present circumstances, to raise enough funds for its own outlay. For quite apart from the devastation caused by the Japanese and Japan-inspired marauders, there exist the perennial famine situation in Shensi, the threat of flood in Shansi, Hopei and Shantung, and the glaring certainty of a poor crop in many regions this year. What should the Government do?

We propose as modus operandi the two-fold principle of relief of the local burden and subsidy by the national treasury. Since the major portion of the problem is connected with military expenditure, if the Central Government can, by regularly providing for it, stop malpractices like local collections and requisitions, it will be taking a long stride in the right direction. But there are other stones to turn, especially so far as the relief of war and famine areas is concerned. In the first place all levies and imposts not sanctioned by the Central Government should be abolished. Even the collection of legitimate taxes has to be suspended for a period of time commensurate with local inability to pay, should the actual circumstances justify the suspension. Finally, a system of agrarian credit must be introduced to keep the farming population on the job. These mean of course so many drags on the national finance. Yet when the frontier position of North China from now on is borne in mind, there need be no regret for them.

Closely related to the problem of finance is that of economic reconstruction. It is commonplace that where natural disasters occur, unrest invariably lurks in. To stamp out political turmoil requires, therefore, efforts at economic reconstruction, among which irrigation, conservancy, and communication and transportation are the most urgent tasks in North China. The Sa-toh Canal in Suiyuan is a creditable piece of water works. But it should be repeated in many places as much under the mercy of drought as Suiyuan. River conservancy is at a standstill in this section of the country, in spite of the almost annual threat of innundation. Even if successful, it is in itself no fundamental solution to the flood problem unless it is supplemented by extensive forestation at the upper courses of the several waterways. As to the means of communication and transportation, North China compares very unfavorably with the rest of the country. This fact accounts for the oft-happening situation of what we may call "starvation in the neighborhood of plenty." To rectify this state of things and, moreover, to take a short cut to national unification, the Government must lose no time in casting a wide-spread net-work of railways over North China and in linking, by a system of airways, the frontier outposts with the interior.

Economic Backwardness

It is not an uncommon comment that Nanking has been spending disproportionately large sums of money on the economic improvements of the Lower Yangtze provinces. This in general is not belied by facts. By some it is pointed out that unsettled political situation in other regions renders impossible the execution of similar projects. But argument of this trend invites discussion, as we recognize the contrary—that economic backwardness leads to political unrest—to be equally true. It is plainly guilty of reasoning in a circle. In any case regional favoritism seems to be the more frank answer. Now that Wang Ching-wei, President of the Executive Yuan, has adopted the policy of unification through reconstruction, we have reason to hope that the urgent need of North China will no longer be ignored.

There remains the social and educational phase of the problem to be considered. Contrary to the expectation that foreign invasion brings national awakening, the Northern mentality is singularly lethargic. While illiteracy may be the explanation for the out-of-way districts, the political apathy of the inhabitants in principal cities is not readily understandable. All that is manifest in these latter places is the seeking after pleasures and luxuries and the craze for 'modernism' under the clamor for their "culturalization." There is no sign of real political consciousness, although there have been repeated outbursts of hysterical panic. At the sight of crisis

(*Continued on page 333*)

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Where Is the Way Out for the Common People?

(This article was written in Chinese by General Feng Yu-hsiang, generally known as "Christian General," and was published in the May 15 issue of the People's Livelihood, a bi-monthly magazine in Shanghai owned and edited by Chinese under the editorship of Col. Thomas Tchou, formerly director of the Labor Department of the Ministry of Industries. This article was translated into English by C. Y. W. Meng, correspondent of The Review at Nanking.)

NO matter how backward are the farmers and laborers, they are nevertheless the true producers in the country. If the producers are now living a miserable life, then what is called development of productive power, the social progress and improvement of civilization, is not only a vanity but also is a false representation which cheats the public.

The American and European people are very proud of their civilization and high material living standard. But under the evil social systems, the world is now facing an economic crisis which can hardly be remedied. The number of unemployed in the world (with the exception of China) is about 50,000,000. If to this number is added the households of the unemployed, we have a total number of no less than 150,000,000 people who are poverty-stricken, starving and grievous. The productive powers of the American and European people are already at a low ebb. This fact alone is sufficient to show that if the livelihood of the producers is not improved and the producers can not gain their social equality, there is no possibility for any social improvement or improvement of civilization. Even if there are some outward material improvements, if such improvements do not possess the true characteristics of socialization, the calamity to humanity is bound to come by rotation.

Secondly, the object of society is to enable all human beings to have some kind of livelihood and to enjoy the same kind of blessings. The common people of China today occupy a place as producers, but they are compensated without a means of earning a livelihood. This is certainly just contrary to the object of society; and here is the great trouble with the Chinese social system today. If more than 350,000,000 people can not find the way out, there must be something abnormal and wrong with the Chinese social system!

Thirdly, what China is doing today is just contrary to the interests of the common people. Whenever political, economic and social enterprises are undertaken, the interests of the common people are never taken into primary consideration. If some individuals are allowed to talk about finding a way out for the common people, they not only consider this as unnecessary but also consider this as wrong to do so.

The Miserable Condition of the Farmers

Let us now discuss something about the present living condition of the common people and their political and ecomomic position, so as to enable us to find the way out for them.

China is an agricultural country and agricultural products still occupy a very important place in her national economic system. So to say that China is an agricultural country is the same as saying that China shall still be self-supplying and self-supporting. But as we all know China is only a semi-colony country. When the problems, such as production, markets, commerce, currency, and finances, etc., are analysed, we know that rural economic conditions of this semi-colony are very serious. The sudden fall in the price of agricultural products, the rapid increase in the acerage of uncultivated land, the frequent occurrence of troubles in the rural districts and bandit-uprisings, the unsettled state of the farmers in moving about from one place to another, all but tend to indicate that the Chinese rural economic condition is deteriorating. The livelihood of the farmers has been made very hard day by day. It is a strange fact that even in the last year when we had a good harvest, calamity to the people was not averted, for it is said that when the price of the rice is cheap, it hurts the farmers. Totally speaking, no less than 100,000,000 people have perished of starvation and cold. If one walks in the rural districts, one will find that the farmers are in the financial distress throughout the whole year. With the rural economy in such a bad state, the Chinese could not but resort to buying foodstuffs in enormous quantity annually from abroad, presenting the foreign agricultural producers with many millions of silver dollars. Being an agricultural country, but having to buy the foodstuffs, the seriousness of the situation can easily be imagined.

Causes Explained

To be brief, the following may be said to be the principle causes of rural bankruptcy. First: It is due to the political and economic exploitation of the imperialists in the form of (a) imposition on the Chinese to pay heavy indemnities and loans; (b) economic robbery through their control of capital which brings about the depression in the production of Chinese agricultural by-products; (c) imperialistic robbery of commercial commodities, which places the farmers in more financial difficulties and making it harder for them to earn their livelihood. Secondly, It is due to the oppression under the feudalist politics in the form of (a) imposition of various kinds of taxes in various places; (b) collection without restriction far in advance of the grain taxes, in Szechuen province, the grain taxes for "1974" having already been collected by the authorities; (c) compulsory planning of opium seeds and imposition of opium taxes; and (d) non-redemption of bank notes, promissory notes, etc., at will by the banks and native banks, etc., and (e) frequent occurrence of warfares. Thirdly, it is due to the oppression of local gentry in the form of high house rents, usurious interest throughout the country. Such is the kind of livelihood of the common people. Under these oppressions there can never be any reconstruction.

Laboring Class Equally Miserable

Now, we come to discuss something about the laborers. As we all know, in any industrial undertaking, the very first problem we have to solve is the labor problem. That is to say without laborers who could produce something there could be no talk about any productive undertakings. But let us ask what is the present condition of the Chinese laborers and their place in the political and economic role. First, in general, they have to work more than 10 hours a day, and in some cases, they have to work as many as 17 or 18 hours a day. But what they get is only about $2 or $3, or at most $10 a month. This scanty sum is not only insufficient to support the families of the laborers but even insufficient to maintain their own livelihhod.

Another Class of Miserable People

There is another class of miserable people, like riesha pullers, carriers, sedan-chair-carriers, etc. (generally known as "coolies"). They are by no means small in number. They take up this kind of work because they are unable to find any other employment—to be farmers or hand-craftists. They live a miserable life. It was customary to treat this class of common people, not as human beings but as horses and cows. But these common people are really the true people of the country who possess great capacity of production. If their rights were not being robbed by other people, they would not live in such darkness. They are now anxious to find the way out.

The imperialist economic and political exploitation does not only bring about adversity to the Chinese rural economy but also brings about adversity to Chinese industries, finances, currency, and communication enterprises. Such adverse conditions only increase the sufferings of the common people.

The Way Out—Political and Economic Rights Essential

As to the way out for the common people opinions differ. It is due to the fact that the livelihood of the common people is not yet socialized and that the political party is not yet made stable. But the important point seems to be that we have not linked up the livelihood of the common people with their political and economic rights. It is said that the common people are living a miserable life due to the backwardness of our productive enterprises. To this, I do not raise any objection. Further, I agree wholeheartedly that to increase the productive power in industrial enterprises is the true and first way to develop the economic condition of the people. But it is my opinion that if such political and economic powers are not given to the common people—that is to say, the common people still occupy the secondary position in the political and economic role—there is no way to improve the livilihood of the laborers. Then to increase the productive powers of the laborers is also impossible. There is really the natural relativity of the law of cause and consequence governing the social developments.

As a whole, the common people have suffered extremely, and they could suffer no more. The only way out is to restore to them their political and economic rights. In other words, unless they have gained their control of political and economic powers, the common people could not improve the livelihood under the oppression and rule of the imperialists, militarists, officials and local gentry. The common people should fight hard to put an end to all these devils before they can improve their livelihood.

But the question may be asked: Inasmuch as the standard of the common people is so backward, how can they be fitted to control the political and economic powers? This is apparently not the case. If we say that the intelligence standard of 350,000,000 hard-working people is backward, that is to say that the Chinese intelligence standard is backward. If this fact is not acknowledged, that means we acknowledge that the ruling few who are the militarists, corrupt officials and gentry etc. are above the common intelligence standard. If we say that the common people are not fit to have political and economic powers, that means we have to be governed by the above-mentioned people, but, as explained above, these people are only the oppressors of the common people, thus, we block the way for the common people to get out of hardship. Practically speaking, in a case like China where the intelligence standard is so backward, the remedial step is to start from the beginning, to work for the common people. A child can not walk at first, but there must be some day when he can run. This is one of the general principles to find the way out for the common people.

Kalgan, April 27, 1933.

THE NEED OF AN IMMEDIATE STABILIZATION OF NORTH CHINA

(*Continued from page 329*)

everyone takes to the "qui vive" and the individual instinct for safety completely obliterates any group effort at self-preservation. Such a mood is the worst possible mental equipment of the frontier towns. To counteract against the enervating tendency, it is imperative that steps be taken to cultivate the pioneer spirit and a sense of solidarity through public encouragement of exploratory undertakings and organizations, through greater mutual confidence between the Government authorities and the citizenry, and finally through educational emphasis on loyalty and courage.

The Central Government has been on many occasions criticized for its lack of interest in its outlying territories and blamed for the loss of four provinces on that score. Although the charge is a little too harsh, still it should, with profit, be received with penitence on the part of the responsible quarters. Since North China today is placed in a similar situation as that confronting Manchuria two years ago, it is up to the nation's leaders to redeem themselves by effecting its immediate stabilization as the first step in the movement to regain China's territorial integrity.

Japan to Honor Dead Soldiers of Shanghai and Manchurian War

The memory of Japan's 3,000 soldiers, who gave their lives for the cause of the nation in the Manchurian and Shanghai hostilities, are to be perpetuated in the form of a memorial hall to be erected within the Imperial Palace Compound, in Tokyo. The hall, which will be two stories in height will stand alongside the other memorial museums erected after each of the victorious wars engaged in by Japan since the Sino-Japanese war of 1894-5. Photographs of 143 officers as well as the 2,350 subordinates and others who were killed in action are to be placed in the new hall with other war relics and souvenirs.

Only Small Part of Contributions Reached Manchurian Generals

A sensational embezzlement case has been unearthed with regard to the disposal of the huge funds contributed by various quarters to the Chinese Volunteers in Manchuria. It is estimated that no less than $20,000,000 was contributed to General Ma Chan-shan alone, but General Ma actually only received about one million dollars. General Li Tu, who was supposed to have received more than a million, actually received $83,760. Investigations into the shortage are being made.

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New Fourth Marines Commander Arrives in Shanghai

Colonel John C. Beaumont, the new Commander of the U. S. Fourth Marines, arrived in Shanghai July 11 on the Dollar liner *President Jefferson*. He succeeds the late Colonel F. D. Kilgore, Col. Beaumont had a conference with President Roosevelt shortly before leaving Washington to come to the Far East. It is announced that there will be no changes either in policy or personnel of the 1700 Marines stationed here; they will not be affected by the economy program. Colonel Beaumont had visited Shanghai thirty years ago when he was here for one day on his way from the United States to the Philippines where he spent three years in Marine service as an officer. Colonel Beaumont is unmarried.

Colonel John C. Beaumont

China Getting Loan from French, Not from British

Reports that T. V. Soong is negotiating with bankers in England for a big loan to China, were categorically denied by Sun Fo, president of the Legislative Yuan, in an interview at Shanghai July 15.

Negotiations with French bankers for a loan of $20,000,000 for the Ministry of Railways, are proceeding favorably, according to Mr. Sun, the loan was being negotiated for the construction of a new railway line between Changchow and Shihchiachwan, in Chili province.

Mr. Soong is visiting various countries in Europe before returning to China, visiting among other points Berne, Geneva and Berlin.

In Germany Mr. Soong took up the subject of the modernization and extension of the network of roadways in China whereby German engineers and firms specializing in the manufacture of road-building materials will be invited to make proposals how they can assist in the realization of the whole plan.

In Paris Mr. Soong was present July 18 at a meeting of the committee recently appointed by the League of Nations to co-ordinate technical cooperation between the League and China.

Dr. L. L. Rajchmann, the Polish director of the League of Nations' Health Department, has been appointed the delegate to China to coordinate in the technical advisory work being carried out in China under the auspices of the League.

Japanese Hope to Freeze Out British and Belgians in North China Railways

The *Mainichi* says that the Japan Foreign Office and the military authorities are working for the creation of an area of stability in North China to promote the prosperity of that part of China, Japan assuming an attitude of friendly neutrality. To begin with, they propose to carry out a program to make Tsingtao a second Shanghai and in order to make Tsingtao the center of North China trade, the present Shantung railway is to be extended to Sian, in Shensi province, at the initial stage of the program, and then to Kaolan, Kansu, at the second stage. In the execution of this railway construction plan, the British loan railway between Taokowchen and Chinghua and the Belgian loan railway between Kaifeng and Lingpao, forming part of the Lunghai Line are to be utilized "in accordance with the principle of equal opportunity."

Economic Conference Comes to an End

The liquidation of the World Economic Conference proceeds apace. The delegates are preparing to go home, and the League Secretariat is already reduced to a minimum.

Among the subjects taken up at the Conference were measures to control sugar production. Japan opposed the proposal for the reduction of sugar production, on the ground that Japan is no sugar exporting country, though a small surplus of sugar is exported to Manchukuo.

Despite Senator Pittman's optimism and work behind the scenes, an accord in silver has not been reached. Formidable opposition has been raised by Spain over the terms on which existing monetary silver will be included in restrictive quotas. Further difficulties were raised by India and China which made prospects for agreement poor.

Karl Radek, Soviet writer, in *Izvestia* drews attention to the fact that the agenda framed for the World Economic Conference in London contained not a single item on how to improve the standard of living of the masses as a way out of the present economic crisis.

A World Economic Conference sub-committee passed a resolution July 14 dealing with provision for an international gold standard reading follows: "The conference considers it essential, in order to provide an international gold standard with the necessary mechanism for satisfactory working, that independent central banks with requisite powers and freedom to carry out an appropriate currency and credit policy, should be created in such developed countries as have not at present an adequate central banking institution." The American members maintained silence while the debates took place.

The New York *Herald Tribune* recently stated that President Roosevelt would postpone the stabilization of the dollar until 1935.

"Pravda" Sees War Arising out of World Economic Conference

Moscow *Pravda* commented:—"The disarmament conference gave no other result than a new armament race, and now the London conference has become hopelessly entangled in the meshes of the currency problem. American imperialism has rejected the ultimatum of Britain and the European gold bloc. The conference is disrupted because there are no prospects either of a lasting agreement or a foul compromise . . The further intensification of the economic crisis and hasty preparation for armed clashes, ending in the eruption of the volcano and a fight for the redivision of the world—these are the perspectives now opened up."

China Also Sees War Ahead

The Peiping *Morning Post* commented: "Recent developments in the international situation herald the coming of another world war. The American delegation has turned down the stabilization proposals of the World Economic Conference, while President Roosevelt also has set his face against the compromise plan for the prevention of speculation in exchange. Stabilization holds the key to international co-operation in the economic sphere and if no agreement can be reached on this point further progress at the conference is impossible."

Real Estate Review Beyond the Western District by Realty Investment Company

The scene of the greatest activity during the past month, has been Hungjao Road and its environments, and there are developments taking place at intervals along the whole length of this road. A large portion of land, amounting to 150 Mow, has been purchased by the Realty Investment Company at the corner of the Chung Shan and Hungjao Roads, and the big creek on the Hungjao Road front of this lot, has now been culverted. This development will be known as Holly Heath, and is already being sold in small lots, 8 lots having been disposed of within the past week. Roadways are planned through the property, and electricity and water is being arranged for. Lots on this estate may be purchased from Tls. 3,900. to Tls. 4,500. per mow (new Chinese Title Deeds).

RECENT SALES

4 Mow Vacant Land Great Western Road East of Edinburgh Road Title Tls. 15,000.— per mow.

8 Lots totalling 21.3 Mow in Holly Heath (Chung Shan & Hungjao Road Corner).

Considerable interest was taken in the Auction Sale by Messrs. Noel Murray & Co., Ltd. of two properties on Avenue Edward VII. The first piece offered of Mow 0. 4. 8. 2. was purchased for $59,000.— and the second piece of Mow 0, 4. 8. 0. realized $29,000.—both were purchased by a Chinese buyer.

Who's Who in China

Kwok Thin-yu, insurance business man; born at Panyu, Kwangtung, 1881; former General Manager of the Nanyang Brothers' Tobacco Co., in Java; now Chief Agent for the China United Assurance Society, Ltd., and the Lun Tai Mutual Fire & Marine Insurance Co., Ltd., for the Dutch East Indies; President of the Central Comite Fonds Roods-Kruis Tiongkok (Central Committee of the Chinese Red Cross) at Batavia and also Honorary Treasurer of the Chinese Chamber of Commerce at Batavia; served on several occasions as president of the Kowng Siauw Hwee Kwan (Cantonese Society), Batavia; an enthusiastic worker in public welfare works and charitable causes; address: No. 3, Kali Besar West, Batavia, Java; residence address: No. 81, Prinsenlaan Batavia, Java.

Kwok Thin-yu (Kuo Tien-ju)
郭 天 如

郭天如，廣東番禺人，現年五十二歲，曾任南洋兄弟烟草公司荷屬東印度總理，現任中國華安合羣人壽保險總公司及聯泰水火保險有限公司荷屬總經理，歷任吧城廣肇會館主席，現被推爲吧城中國紅十字會主席及吧城中華總商會名譽司庫，生平對於發展僑務經營不遺餘力，對公益慈善尤能熱心，有聲於僑界，通訊處，濟華吧城大港舊西三號，店址，濟華吧城孟加勿殺第八十一號，

Kidnappers Active in the United States

The recent increase of kidnapping cases in the United States, which is attributed to the desperation of racketeers following the breaking of their liquor monopoly, has led President Roosevelt to organize a big drive against crime. He has summoned all Federal agencies to co-operate in a major offensive against the kidnappers of John J. O'Connell, the 24-year-old nephew and heir of the O'Connell brothers, two New York State Democratic bosses.

About fifty of the wealthiest Chicago citizens are being guarded by state troopers and city police are patrolling near their houses to prevent their abduction by kidnappers. This action is being taken because of the revelations made by the financier, John Jacob Factor, who was recently kidnapped and released after a ransom of $200,000 had been paid. Factor was kept with his eyes bandaged with adhesive tape in a farmhouse overrun with cockroaches and frequently threatened with death.

Joseph Harriman, the well-known banker, is reported to have disappeared again from the nursing-home near New York where he was undergoing treatment for heart trouble and nervous disorders. He later reappeared.

The U. S. Public Works Administration announced July 14 that its Federal program, budgetted to cost a total of $64,000,000, will give a year's work to 21,517 men in every state in the Union, Alaska and the islands. The interests and other costs in connection with it cost the Government $220,000,000 annually. This money is obtained by taxing the net worth of corporations and their earnings above 12½ per cent, and by gasoline and income taxes.

Who's Who in China

(Supplement to the Standard Edition)

There will be published shortly a supplement to the standard book, "Who's Who in China," which will contain some 200 biographical sketches of Chinese men and women who have come into prominence since the Fourth Edition (1931) was issued. It also will contain revisions of some of the sketches which appeared in the Fourth Edition.

For example, the Supplement will contain the pictures and sketches of several leaders who have come into prominence as a result of the Sino-Japanese conflict, such as Generals Tsai Ting-kai, Chiang Kwang-nai and Oung Chao-wan of the 19th Route Army, Chang Chih-chung of the 5th Army; Ma Chan-shan, Su Ping-wen and Li Tu of the Manchurian campaign; Sung Chih-yuan of Chahar, Han Fu-chu of Shantung, Yu Hsueh-chung of Hopei, Chu Ching-lan of the Volunteers, etc., etc., etc.

For those who possess a copy of the last, or Fourth Edition, a copy of the Supplement, is indispensable.

READY FOR DISTRIBUTION AT THE END OF JULY

No office, home, school or public library is complete without **Who's Who in China**, containing the pictures and biographical sketches of most of China's leaders in the fields of politics, business, education and the other professions. In addition to a record of their careers, it also contains their latest addresses, matters of vital importance to those who would keep up with events in China and the Far East.

The prices, including postage, for the Supplement as well as the standard edition are as follows:

	(In China)	(Abroad)
Supplement	$ 2.50	G.$1.00
Standard Fourth Edition (1931)	10.00	4.00
Both books	11.50	4.50

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The China Weekly Review

38, Avenue Edward VII

Shanghai.

Men and Events

Dr. C. C. Wu, former Minister for Foreign Affairs, arrived back in Shanghai this week after an extensive pleasure trip in the Upper Yangtsze region.

Peiping won the track and field championship in both the senior and junior divisions of the 17th annual North China and Field Meet at Tsingtao July 13.

The death occurred in Peiping, July 18 of Wang Yung-pao, former Chinese minister to Japan, who returned to China after the anti-Chinese riots in Korea in 1931.

Announcements have been issued for the marriage of William Yinson Lee and Miss Dorothy Wen-teh Fong at the Community Church, Shanghai, July 24.

The Executive Yuan has appointed General Tai Chi as Civil Affairs Commissioner for Fukien and Hsu Hsi-ching as Finance Commissioner of the same province.

General Ma Lin, Chairman of the Kokonor (Chinghai) Provincial Government, who is a Mohammedan will attend the World Mohammedan Convention to be held in Turkey next month.

The Chinese Ratepayers Association has sent a protest to the Foreign Municipal Council regarding the recent closure order directed against a number of Chinese rubber factories in Shanghai.

General Chu Shih-min, of the Chinese General Staff, will leave for America by the s.s. *President Hoover* July 27 to study for one year at the American General Staff College at Kansas.

The draft regulations governing the State-operated China Merchants' Steam Navigation Company were passed at the meeting of the Central Political Council held in Nanking July 12.

Two additional Chinese arrived here from Mexico July 17 on s.s. *President Pierce*. They declared that several hundred Chinese are gathered in San Francisco waiting for transportation homeward.

The formal signing of the Four Power (Italy, Germany France and Great Britain) Pact took place in Rome July 15. It merely confirmed the initialling which had taken place several weeks previously.

Dr. Han Li-wu, director of Office of the Board of trustees of the Sino-British Boxer Funds, announced in Nanking last week that arrangements were being made to send 20 students to England for advanced study.

Reports received in Nanking state that Chinese and foreign shipping companies are hard hit by the business depression in the Yangtsze provinces due to the breakdown of rural economy and the fear of another flood.

Eugene Meyer, wealthy Republican and formerly Governor of the Federal Reserve Board under President Hoover, took control of the *Washington Post* June 13, promising to conduct it as an independent newspaper.

A Japanese Returned Students' Club was formally inaugurated in Nanking July 16 at the Examination Yuan building with an attendance of 400. The meeting was presided over by Chu Cheng, President of the Judicial Yuan.

A Japanese love-sick couple made an attempt to commit suicide by cutting themselves with knives in the Hongkew Park, Shanghai, July 12. They were discovered by an early golfer and removed to Fuming hospital. They will live.

In an economy test run, held recently at Bartlesville, Okla., a new Ford V-8 Tudor Sedan set up the remarkable record of an average of 18.8 miles per gallon of fuel for 10,054.9 miles. The run was sponsored by the *Daily Enterprise* of that city.

Dr. Paul H. Clyde, Professor of History at the University of Kentucky, Lexington, in an interview with the *Japan Advertiser* recently said American opinion is steadily but surely focusing on the Far East. Dr. Clyde will later visit Manchuria.

Twenty-three journalists were to leave Columbia, Missouri, June 14, to take the 86-day world cruise sponsored by the School of Journalism. They travelled in the s.s. *Europa* to Europe, and will later come to Shanghai. Hollington K. Tong will be in charge of arrangements in Shanghai.

The directors of the Peiping Palace Museum met at Nanking July 15 when measures connected with the safe keeping of the Palace treasures now in Shanghai, were discussed. It was decided to appoint members of the Museum staff to study the question of a suitable place for establishing branch museums. The proposal to print a Chinese encyclopedia was unanimously carried.

Don F. Craig, of San Francisco, was married to Miss Helen Rose Caldwell at the American Consulate in Shanghai July 17 by George Fitch of the Foreign Y.M.C.A.

A government spokesman announced in the House of Commons July 18 that he hoped it would be possible to make a statement on the subject of the Anglo-Japanese trade negotiations before the Parliamentary vacation.

The financial authorities of Shanghai are making feverish preparations for the flotation of a twenty-million-dollar coal loan for the relief of Chinese coal mines. The receipts from the issue are to be loaned to various Chinese coal-mines.

General Chiang Kai-shek is planning to convert the city of Kweiteh, on the Peiping-Hankow Railway in Honan, which is regarded as a most important military center in North China, into a huge military camp, a recent message from Hsuchow stated.

S. T. Cheng, millionaire merchant from Tientsin, who arrived here a short while ago, was drowned on the night of July 15 near the Nanking Road Jetty when he slipped on the upper deck of a small steamer returning from Woosung and fell into the river.

Plans are being made at the Central Bank of China for the opening of a department for the handling of the business transactions newly created by the U.S. $50 000,000 wheat and cotton loan recently negotiated by T. V. Soong, Finance Minister, with the United States.

A loan of two-and-a-half million dollars has been arranged by the China Merchants S. N. Company with the Postal Savings and Remittance Bank. The loan is being used to pay the China Realty Company the Tls. 700,000 first installment of the now cancelled Tls. 30,000,000 shipping loan.

Lord Marley, president of the World Committee against War, sailed for Shanghai from Marseilles July 14 on the steamer *Andre Lebon* with a large international delegation to the forthcoming World Conference against War to be held next month in Shanghai. Lord Marley will preside at the conference.

Lieut. Evans F. Carlson, Intelligence Officer, connected with the Fourth Regiment, U. S. Marines at Shanghai is shortly being transferred to Peiping for special service at the American Legation. Lt. James M. McHugh, who arrived in Shanghai in April will take over the duties of Intelligence Officer at Shanghai.

A recent Leningrad message stated that the theory of the existence of "higher" and "lower" races has been blasted by the Leningrad Brain Institute, which on June 10 celebrated its fifteenth anniversary. The Institute has demonstrated that individual fluctuations on a very wide scale exist among the people of every race.

Dr. Lim Boon Keng, the Dean of the University of Amoy, arrived in Singapore on June 20 to attend his daughter's marriage to Teh Say Koo, of the Oversea-Chinese Banking Corporation, which took place July 1, and also to adjust the affairs of the Chinese High School, Bukit Timah Road, which had been closed since December.

Extensive research for a practical method of extracting gasoline from ordure and fish intestines is being conducted by Prof. Saito of the Chemical Industry Section of the North-Eastern Imperial University at Sendai, Japan. According to Prof. Saito his method will prove the cheapest way of obtaining gasoline so long as living creatures exist.

Ross F. Tyrrell, 31 years of age, formerly of the U.S. Coast Guard medical service, at present unemployed in Shanghai, swallowed poison on the night of July 13 because his advances to a Chinese young woman, member of a well-to-do family living in Avenue Edward VII, were repelled. He was treated at the Country Hospital, and is recovering.

A revision of Article 681 of the Civil Code regarding the joint liability of partners is urged by the Greater Shanghai Chamber of Commerce in a petition submitted to the Legislative Yuan. The petitioners claim it is grossly unfair that partners, who share in the profits only in proportion to their contributions, shall be held responsible for the whole amount of the partnership debts.

The International Telegraph Administration of the Ministry of Communications raided an upper room in Nantao last week and seized a radio broadcasting plant operated by Chang Cha-ying, who was taken into custody. In a statement Chang said that the apparatus was secretly installed by him to communicate with other radio stations. His apparatus was confiscated.

Chinese pharmacists are boycotting Coty perfumes because of anti-Chinese articles in the Paris *Figaro*, owned by M. Coty.

The Shanghai *Shen Pao* and the *Tsung Hwa Jih Pao* are engaged in a controversy over the merits of Fascism, which the former strongly supports.

The Ministry of Railways is now drawing up plans for the construction of a railway linking up Yushan, in Chekiang, with Pinhsiang, in Hunan, passing through Nanchang, in Kiangsi.

Capt. Zimmer and M. Joseph arrived in Shanghai from the United States during the week with the object of selling a formula to the Chinese Government for the manufacture of an explosive four times more intense than dynamite.

Two Chinese youths, respectively 11 and 14 years old, dressed in Boy Scout uniforms presented themselves to the chief of the North Police station at Chapei several days ago and requested free transportation to Chahar so that they might join Feng Yu-hsiang's troops. Their father is a policeman in the Foreign Settlement.

Tsing Hua University has decided to wind up the work of its mission at Washington, D.C. at the end of this month. It is estimated that between 40 and 50 students supported by the University will return to China this summer and that even with the despatch of another batch of 20 students to America this autumn there will not be more than 40 students studying under Tsing Hua auspices there.

Count de Martel, French Ambassador in Tokyo, has been appointed High Commissioner of Syria, in succession to Henri Ponsot. Captains Muselier and Odendhal have been promoted Rear-Admirals to relieve Rear-Admirals Oge and Willm, respectively, both of whom are retired to the reserve lists. Capt. Odenahal and Rear-Adm. Oge have served for a long time on the China station.

In order to free itself from the necessity of importing tea from abroad (these imports now amount, in value, to some 10 000 000 gold roubles annually) the Soviet Government has organized special tea-growing districts in sub-tropical Georgia. It is expected that by 1938 the Georgian plantations will produce 84,309 tons of green leaves, or 20 548 tons of dried tea, which will be sufficient to supply the needs of the whole country.

A tentative agreement has been reached on the subject of factory inspection between the Shanghai Foreign municipality and the Chinese City, the arrangements having been made by Stirling Fessenden and O.K. Yui, respective secretary generals. The agreement has to be ratified by the Municipal Council. There are to be four Chinese inspectors and three foreigners. They will be supervised by Messrs. Fessenden and Yui jointly.

The inconsistency of importing into the sugar-surfeited Philippines 2,500,000 pounds of Japanese sugar for the United States Army there has aroused the resentment of Mailia sugar interests and editorial criticism of the department's policy in awarding government contracts. The reason that Japan sugar is being brought into the Philippines is the fact that the army is not obliged to pay the insular tariff on imported sugar.

The Vancouver *Sun* of June 10 printed a group photo of scientists from China attending the Fifth Pacific Science Congress in said city. They are: D. Y. Lin, director of forestry, Ministry of Industries, Nanking, China; T. H. Shen, Ph.D., professor of plant breeding, University of Nanking; Coching Chu, director of national research, Institute of Meteorology, Peichiko, Nanking; Shun Ching Lee, Ph.D., professor of botany and dean of the National Normal University, Peiping.

To perpetuate the memory and achievements of the late Dr. Hou-ki Hu, former Commissioner of Public Health of the Municipality of Shanghai, the Bureau of the Health Committee of the League of Nations at a recent session passed a resolution to place at the disposal of the National Health Administration of China a scholarship to be known as the Hou-ki Hu League of Nations Fellowship. This scholarship will be awarded annually to the candidate chosen on the basis of a special competitive examination.

Gen. Tai Chih, Garrison Commander of Shanghai-Woosung Area, was appointed at a meeting of the Executive Yuan in Nanking on July 18 as member and concurrently Commissioner of Civil Affairs of the Fukien Provincial Government. The latter post was formerly held concurrently by Gen. Chiang Kuang-nai, Chairman of Fukien. The same meeting also appointed Hsu Hsi-ching as Commissioner of Finance of Fukien in succession to Fan Chi-wu who has resigned.

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New Books of Interest in the Far East

An Australian Writes About China

White China. By J. H. C. Sleeman. The Alert Printing and Publishing Co., Ltd., 718-720 Harris Street, Ultimo, Sydney, NSW. Australia. 7/6.

"In "White China" we have a book by an Australian about China, which might have been better written and better printed, and yet which might well be read by all Australians and all nationals of other countries which have any trade or other interests in this land. They ought to read it, but most of them probably will not. Unfortunately, the author by his very bluntness and cleverness in drawing invidious comparisons will antagonize many at the outset. In discussing the Chinese Consul-Generals to Australia in his Addendum, the author says of Sung Fat-san, "I knew him and I liked him. He spoke as I write. He said what he had to say and took the consequences. . . I always like the man who has the 'guts' to get what he is bursting to say off his chest." That well describes the author's style, even to the use of many expressions to which the fastidious will take exception. But if every foreigner in China, and every national of any country that wants to trade with China, would say to himself, "Here is a view of China with which I ought to acquaint myself, and here is the only recipe for trade relations worth a picayune for the future!" he would give the book a hearing and, incidentally, learn much that would be good for him.

I have critcized the style and the editing. The style is that of the journalist, usually too swift to be careful of detail. I think every journalist should have some literary friend go over his book-manuscripts. There are other mistakes which may be the author's, or may indicate careless proof-reading. On Page 97, line 27 should have a comma, or else the next line should not. On the same page, line 34, "Philippines" is misspelled. On page 105, "The French excuse being that a French priest had been murdered in Kwangsi" is not a complete sentence, though it stands as one. On page 115, we read: "Mrs. Wu Lien-Teh the wife of the present director of the Chinese National Quarantine Service, and the world's great authority on bubonic plague, in her delightful little biography, etc." As written, one could not be sure whether it is Mrs. Wu or her husband who is the world's great authority on bubonic plague. One less comma would have made it perfectly coherent. On p. 151, the fifth line has this double negative, "providing no other leader game to fight had not appeared on the scene." Misspellings occur on p. 240, line 4; p. 138, line 5; p. 248, next to the last line, "Howard" for "Harvard" and other places not annotated. These are all little mistakes which should have been corrected in the proof-reading.

The author has another failing,—that of descending (not from the sublime to the ridiculous) but bringing dramatic and otherwise effective sentences to an anti-climax by the use of slang or colloquial expressions. A few noted are as follows: "Hungering for the fire of her Tartar lover's passion, death brought the blizzard blast of 'nevermore'" (p. 126); "Sporadic fighting was the order of the afternoon and evening, and no jazz parties got out on leave that night", (p. 186); "Tientungan Station became the centre of hostilities, and the Japanese airmen rained fire on Chapei, literally destroying the residential districts, but the Chinese stood to their guns, and the Japanese realised that what they had bitten off would take an almighty lot of chewing", (p. 187) This may be good journalism but not so good literature.

But this is more than enough by way of criticism. Mr. Sleeman is generally right on his facts, and that is the important thing. He seems to know his Chinese history, and he certainly has gone back of myth and propaganda to the facts of the treatment of China nd her people by the other nations of the world, including Japan and her present attitude. This reviewer enjoyed the thrusts made at England, United States, the League of Nations, Mussolini and of course frequently at his own country, Australia, for there is so much truth in them and the author does not mince matters in giving that truth expression. Here is what he says of England in the early days:

> "With all your alleged superiority (the author's Chinese friend is speaking), you Westerners today are the pirates you always were. . . Your great buccaneers were invested with a religious halo, because they sunk the galleons of the Catholic king, although they'd pot-shot a good Protestant barque as readily. From piracy, you switched on to a more lucrative trade in negro slaves. . . England declared war on my country in the 19th century to ensure that good Indian opium should have a profitable Chinese market. . . Altogether about 1,000,000 slaves were sold and the major portion of these were carried in British bottoms, so that at home your pew rents could be paid regularly. Even your famous historian, Lecky, admits that slavery was 'a central point in English policy'".

The author is not militaristic, but he sees no way out for China unless she prepares to make her own defence against aggressor nations. He thinks she will at least partially lose her soul in doing so. He says:

> "What I do say is that the militarism of China will not only mean arrested development, but spiritual retrogression. The decision to arm and fight in her defence is, I admit, forced upon her, but Greece, Rome, Carthage, Babylonia were militaristic, and killed themselves. Germany was militaristic. She's in a devil of a mess. Great Britain has fought in every European war for centuries, and she's struggling for the trade her last war cost her. Austria is a tragedy. America, talking like a Methodist parson, but fighting for the sake of her dollars, is, today, a very good example of what a great nation ought not be."

This one may be a little too hard on the League of Nations:

> "The League of Nations is about as useful in this crisis as a stink bomb to repel a modern fleet. The Lytton report on the situation was being leisurely compiled whilst the Japanese were getting their furniture settled in the Manchurian bungalow. China waited on Geneva and was frozen out before that body glanced at the report.

His comment on Soviet Russia is worth consideration:

> "I think she will succeed if success is measured by material prosperity. Under a system of State capitalism, she is Americanizing Russia from Moscow to Vladivostock. Her form of capitalism is designed for the shock work of competition. She will improve the material conditions of her people, but she will lose her music and her poetry. She worships efficiency. She will become efficient. She worships prosperity. She will become prosperous, but my fear for Russia is that she will worship idols, become a nation of idolatry. . . I would rather see a Russian kneel before a beautiful ikon than before a soulless industrial unit that chews iron and brass and steel, and swallowing a mass of steel and molten metal evacuates a tractor or a cannon or a sausage machine, before which in reverence she kneels in homage and adoration."

In lighter vein is this comment on Mussolini:

> "This great man, with a barbarian code of morality, with the temperament of a brigand and the mental alertness of a leopard, writing as a Christian from the most Christian city in the world, ranges himself in triumphant pride with the Emperors of old who threw the Christians to the lions because they proclaimed that Christianity and pacifism were synonyms."

There are other less serious, but still clever, epigrams like this one: (Speaking of the Australian-born Chinese who could trace his ancestry back to the Chou dynasty), "The Britisher who knew who his ancestor was five hundred years before Christ would swagger along under the weight of his genealogical tree."

Perhaps I have quoted enough to assure the reader that the book is interesting reading. The challenge to Australia to trade with China on reciprocal relations, to treat Australian-born Chinese in such a truly friendly way that they will do for Australia what American-Chinese have done for trade relations between the United States and China, the peanut story, the story of potato chips, all these and much more make every right-minded Australian seek to make up to China for un-Christian conduct in the past. There is one other passage I cannot refrain from quoting, for some will read this review who will never read the book:

> "By 1899, in all the 3,000 miles of China's coast-line there was not one harbor in which she could

mobilize her ships without the consent of some foreign nation. The foreigners had overdone their protection of China.

That sort of thing, following on China's loss to Japan, made the nation think of getting some of its own back. The old prejudices that hampered China's most patriotic sons have been wiped out. China faces the dawning, and on China alone depends the result. War is not a smiling virgin braiding her hair for her lover's visit. War is a thing of maleficence, of pestilence, but war under our existing system seems to be as much a social and financial necessity as endemics are the inescapable result of the crude physical processes of massed peoples.

War will bring with it all its concomitant evils. . . (During the Boxer Rebellion) in T'ungchow alone, a city where the Chinese made no resistance, and where there was no fighting, 573 Chinese women of the upper classes suicided rather than survive the indignities they had suffered. . . That is war. That is hell with the lid off. Have we any effective prescription against this? The present-day affairs in Manchuria, show that the League of Nations is as ineffective against Japanese aggression as brushing the teeth with paste in keeping Vesuvius in restraint."

There is so much to commend the book, that despite crudities of style and errors in editing, this reviewer recommends that you read it with all your prejudices temporarily shelved.

G. T. F.

A Chinese Mystery Story

His Chinese Doll. By Louis Chadman. The Stratford Company, Boston, 1933.

You will find it easy—comparatively so at least—to forget about the pressing heat and the biting mosquitoes for a few hours in following this mystery. It moves quickly, and before you will have had time to swat the offender buzzing about your ears, will have transported you from Hawaii to the Delaware River, and back again to Hawaii, with a glance or two at San Francisco on the way. And it includes everything a good mystery should include, from an opium den and a haunted house to a deep underground lava cave, lit only by the glow of phosphorescent sands,—and a bit of leprosy thrown in for good measure. It does omit chemicals and hypnotism, but you'll hardly miss them. An opium gang is headed, as is customary in fiction, by a Chinese (a woman), not by good Britons such as are now on trial in San Francisco.

The story opens with a murder and relates the adventures of Denny Kent, alias Ray Conway (a famous detective) in attempting to find the murderer, beginning with the nebulous clue that a man believed to be the victim and a Chinese woman were seen gazing into a Chinese curio shop in San Francisco shortly before the crime was committed.

If we wanted to be critical, we could suggest that there is little attempt at characterization. We could wonder why a smoker and a man of such renouned detective fame as the hero would find himself in an underground cavern without a match in his pocket. We might ponder on why he would undertake an airplane flight which would land him in unknown territory at night, without having bothered to reload his flashlight. Or we might think it strange that a magnificent Oriental beauty with untold wealth at her disposal would wear a pair of stolen slippers from which one buckle was conspicuously missing. But such criticisms would imply giving far more serious thought to the book than it deserves. His Chinese Doll will assuredly not go down in detective story history, but it holds the attention, and makes good light reading.

READERS of *The China Weekly Review* who may be interested in obtaining copies of any books which have been reviewed in these columns, may obtain them by sending their orders in care of *The Review*....If obtainable in Shanghai the books will be mailed immediately at retail prices prevailing in Shanghai, plus postage, or if not obtainable here, they will be ordered from the publishers abroad. Send orders or inquiries to Book Editor, *The China Weekly Review*, 38 Avenue Edward VII, Shanghai.

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CHINA YEAR BOOK

1933

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Japan's Foreign Trade and Her Trade with China

The information below is collated from a report issued by the Sino-Japanese Research Institute (Prepared by T. Y. Tsha, Z. L. Chen, and others)

During the years from 1929 to 1931, Japan's trade with the mainland of Asia was in the first place; with North America, next; and with Europe, third. Among the different countries, the value of trade with the United States was the greatest; with China, next; and with India, third. Comparing the trade value of the year 1931 with that of 1926, a downward trend was shown in the value of imports for all nations particularly in that for India and Great Britain, the mere exceptions being Poland and Russia; and also in the value of exports to all nations particularly in that to China and the United States, exceptions in this case being Russia, Cape Colony and Natal. During these six years, the value of imports was highest in the division of materials, second in that of semi-manufactured goods, third in that of manufactured goods, and fourth in that of manufactured and semi-manufactured provisions. Similarly, the value of exports was highest in that of manufactured goods, second in that of semi-manufactured goods, third in that of manufactured and semi-manufactured provisions, and fourth in that of raw materials. The imports of raw materials and semi-manufactured goods and the exports of manufactured goods were declining in 1931 as compared with those of 1926.

In 1931, Japan obtained the major portion of raw cotton from the United States, wool from Australia, machinery and parts thereof from Great Britain, and bean cake and beans from China; she exported most of her raw silk to the United States, cotton tissues and silk and artificial silk tissues to India and China,

Japan's gain in her trade with China since 1873 has been a series of export excesses. The aggression of Japan in China was demonstrated in a series of events, which in chronological order included: (a) the Tatsu Maru Incident, (b) the Antung-Mukden Railway Question, (c) the Twenty-One Demands, (d) the Shantung Question, (e) Port Arthur and Dairen Recovery Question, (f) May 30th Incident, (g) Despatch of Troops to Shantung, (h) Tsinan Incident, and (i) the Manchurian Affair. As a consequence of each, Japanese trade in China was affected by the boycott movements that ensued. However, Japan's trade balance remained favorable. The Manchurian Affair was followed by a steady decrease in the value of exports to China. When the monthly value of exports during the Affair was compared with that of corresponding months in 1930, the decrease was highest in December 1931, and January and February 1932. After the cessation of the Shanghai War, the exporters of Japanese goods to China were again active. The value of exports in May 1932 was less than that in May, that in August was greatest, and that in September was greater than that in June and July.

The value of Japanese exports to Manchuria was at the outset kept down by the boycott movements, but was turning upward in May 1932 and was highest in September. Of Japanese exports to North Chira, the value was also rising except in the months of November 1931 and January and July 1932.

Analysis of Principal Imports into China from Japan

Out of the great variety of Japanese imports, ten commodities of greater significance deserve to be mentioned here. These commodities and their respective average value and quantity of imports from 1927 to 1931 are:

Commodity	Average Quantity 1927-31	Average Value 1927-31 In Hk. Tls.	Percentage of Total Commodity Imports, Average 1927-31
Cotton Goods		102,279,464	31.35
Cotton Yarn	69,970 Piculs	5,092,890	1.56
Sugar	3,442,670 Piculs	24,552,037	7.52
Coal	1,340,013 Tons	12,812,146	3.93
Cotton, Raw	444,672 Piculs	16,593,026	5.09
Paper		14,601,615	4.47
Fish and Fishery Products		7,657,590	2.35
Machinery and Parts Thereof		7,643,102	2.34
Flour	2,040,022 Piculs	11,386,310	3.49
Iron and Steel		6,113,012	1.87

Taking the average figures of the latest five years, the importation of cotton goods remained the first, that of sugar came up second and raw cotton third. The decline of cotton yarn from previous years was remarkable, it receded finally to the end of the list. During 1912 to 1916, the importation of cotton yarn was even more significant than that of cotton goods. Though it began to decline during the following years, it remained in the second place till as late as 1925, during which the importation of the commodity amounted to 423,730 piculs valued at 26,500,545 taels, constituting 8 55 per cent of the total imports from Japan. Then in 1931, it dropped to as low as 19,140 piculs valued at 1,524,646 taels, which as compared with 697,654 piculs imported in 1922 valued at 39,177,822 taels, showed a decrease of as much as 96.11 per cent in value within ten years. The phenomenal decline was largely due to the increase in the number of cotton mills in China following the World War.

The importation of cotton goods was led by British productions and followed by those of Japan and the United States before the Russo-Japanese War. After the War, however, through the amalgamated effort of some of her leading textile manufacturing concerns such as Osaka, Miye, Kanakin, Okayama and Temman cotton spinning and weaving companies, and through the financial support rendered by the South Manchuria Railway and the Yokohama Specie Bank, etc., Japan was able to cut down the cost of production to a lower rate than that of the competing supply of the United States, and consequently gained the controlling hand in the cotton goods market of Manchuria and North China. During the World War, imports from Great Britain were greatly curtailed. Again, the May 30th Incident of 1925 and the subsequent boycott movement gave another blow to British imports. It was the decline of British trade in China that gave Japan an opportune chance in propelling her export trade, particularly that of cotton goods in this country.

PRINCIPAL COMMODITY EXPORTS OF JAPAN AND DESTINATION, 1931

(In Yen)

COMMODITY BY COUNTRIES	Quantity	Value	Percentage
Silk, Raw	555,925	355,393,764	100.00
United States	536,664	342,479,370	96.37
Great Britain	9,244	6,161,328	1.73
Canada	3,830	2,595,654	.73
Australia	2,809	1,928,893	.54
France	2,867	1,879,430	.53
Cotton Tissues	1,413,780	198,731,572	100.00
India	404,411	49,866,019	25.09
China	239,445	43,073,463	21.67
Dutch Indies	212,107	28,279,061	14.23
Egypt	103,799	14,955,867	7.53
Hongkong	63,450	9,764,720	4.91
Silk Tissues and Artifical Silk Tissues		82,766,336	100.00
India		21,524,617	26.01
Australia		9,329,648	11.27
Dutch Indies		8,910,038	10.77
Cape Colony and Natal		6,954,896	8.40
United States		4,626,181	5.59
Knitted Goods	10,575,483	21,175,927	100.00
Great Britain	2,595,646	5,488,991	25.92
India	1,884,458	3,901,436	18.42
Philippine Islands	1,227,716	1,959,196	9.25
Dutch Indies	770,901	1,569,608	7.41
Egypt	583,215	1,305,186	6.16
Paper		20,995,157	100.00
China		13,824,596	65.85
Port Arthur, Dairen, and South Manchuria Railway Area		2,088,742	9.95
Hongkong		1,496,066	7.13
India		983,457	4.68
United States		918,240	4.37

Students on Rampage in Anking---Martial Law Declared

Student troubles in Anking which recently resulted in the wounding of a school president and several examination officials appointed by the Provincial Educational Bureau has necessitated the declaration of martial law by the provincial authorities.

It is understood that the trouble originated from the student's opposition against the holding of joint examinations before the summer vacation. To make their opposition effective, the students of various middle schools declared a general strike, threatening they would not participate in the final examination for this semester if the authorities insisted on holding the joint examination. The officials of the Education Bureau, who made an attempt to intervene, were all beaten up by the students.

National Salvation Federation to Be Formed

A movement has been set on foot for the formation of a National Salvation Federation in Shanghai in which all national salvation organizations throughout the country are to be incorporated. The organizations in questions were scheduled to call a representative meeting July 20 to discuss the initial steps in the formation of such a nation-wide organization.

In the United States Court for China

EDWIN WILLIAM NORMAN, Plaintiff,
vs.
DOROTHY IVAN MARY NORMAN, Defendant.

Cause No. 3549
Civil No. 1607
ORDER
Filed at Shanghai, China, July 3rd, 1933
JAMES M. HOWES, Clerk.

The object of this suit is to secure a decree of divorce.

WHEREAS paintiff herein, on the 3rd day of July, 1933, made application for the substitution of publication for personal service of summons upon the defendant herein; and

WHEREAS it appears from the files of this case that on the 3rd day of July, 1933, the Summons for defendant was returned by the United States Marshal for China, "Defendant cannot be found within the jurisdiction of this Court"; and

WHEREAS it appears from the files of this case that on the 3rd day of July, 1933, EDWIN WILLIAM NORMAN, the plaintiff herein, filed an affidavit to the effect that the defendant, DOROTHY IVAN MARY NORMAN, does not reside within the jurisdiction of this Court and that she has not been a resident of this jurisdiction within the past six months.

NOW, THEREFORE, it is, this 3rd day of July, 1933, ORDERED that service upon the defendant be made by publication once a week for three consecutive weeks in the CHINA WEEKLY REVIEW, a paper of general circulation most likely to reach defendant.

IT IS FURTHER ORDERED that the defendant cause her appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays, occurring after the 22nd day of July, 1933, the last day of publication of this ORDER; otherwise the case will be proceeded with as in case of default.

BY THE COURT: MILTON D. PURDY,
Shanghai, China, Judge.
July, 3, 1933.

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China's Industrial Development---Its Problems and Prospects

BY C. L. NIEH

Editor's Note—This article—which is being printed in installments—dealing with China's Industrial Development is reproduced from a pamphlet intended for presentation at the Fifth Biennial Conference of the Institute of Pacific Relations, scheduled to be held at Banff, Canada, August 14.

(Continued from last week)

2. Raw Materials

NEXT in importance to the labor problems is perhaps the problem of raw material supply. In spite of the surplus quantity of human resources favorable to the growth of industrialization. China's natural resources are, contrary to the popular notion, rather limited for the self-same purpose.

Despite the facts that China is essentially an agricultural country, that she is the world's largest producer of soya beans, kaoliang, sweet potatoes, peanuts, cabbage, tea and bamboo, that she ranks second in the production of rice, wheat and tobacco and third in cotton, the problem of the shortage of foods and raw materials has become evermore threatening to the national subsistence. Although rice is the staple article of food for the Chinese in the southern and central provinces, as wheat and millet and other grains are in the north, it is found, however, by virtue of the Chinese Maritime Customs Statistics, that China imported on an average some 17,740,000 piculs of rice annually during the past three years,[34] that wheat imported amounted to over one million and a half tons (short tons) for the year 1931 and a little over one million tons for 1932, not including the imported flour—in bags of 49 pounds each—of 13.3 million and 18 million bags respectively. Such enormous figures are not only surprising but intrinsically serious, knowing that China is basically an agricultural country.

Turning our attention to the raw material supply for industrial consumption, we shall find, for instance, the increase in the importation of raw cotton still more astonishing. The rapid growth of the cotton industry in China, against the insufficient home supply, has expedited the increase of cotton imports. China's consumption of raw cotton per year was estimated to be approximately over 2.3 million bales of 300 pounds each.[35] However, judging from the Chinese Customs statistics, aside from a considerable portion of home-grown cotton that was exported,[36] China's importation of raw cotton, mostly from U. S. A. and India, was placed at 1,241,000 bales (of 500 lbs) for 1931 and 99,000 bales for 1932; or, in other words, about 50% of the total consumption in this country. The value of these imports was, according to the Customs statistics, U. S. $60,912,000 in 1931 and U. S. $40,735,000 in 1932.[37]

Again, despite the fact that tobacco is being produced in marketable quantities in almost every province in China, still we find from the Customs statistics that the importation of tobacco leaves amounted to 165,609,000 lbs in 1931 and 78,359,000 lbs in 1932. While in regard to the chemical industries, we find a large annual import of soda ash, the three essential acids,[38] and dyestuffs, especially aniline and artificial indigo, the raw materials of which the country possesses quite a bountiful supply. The latter, i.e., aniline and artificial indigo, for instance, were valued at a total of U. S. $3,800,000 for last year's import. The manufacture of paper has long been considered a Chinese invention thousands of years ago. Yet, we find the importation of newsprint paper amounting to 870,000 piculs in 1931 and 935,000 piculs in 1932, while the value of imported paper for 1932 was estimated at about U. S. $14,700,000. It is true that China does possess a supply of raw materials for making the aforementioned commodities; but it is just as true that the supply is not thought sufficient to meet the enormous requirements.

Thus far we have discussed the supply of raw materials from a quantitative point of view. Speaking of quality, the future of China's industry seems to be still more endangered. Cotton produced in China largely belongs to the short-staple class, and is generally adaptable only to weft and short-end work. Even with the introduction of the American seeds over a decade ago, the apprehension remains that these acclimatized seeds either have degenerated or are deteriorating. With the advanced demand for finer counts of yarn, there has been a dearth of long-staple cotton, and the American and Egyptian imports have met the demand satisfactorily. While the present trend of demand is towards still finer yarns as the civilization and popular taste grow, the supply of home-grown cotton will register a further calamitous set-back.

The causes which account for the retardation of the native cotton production are numerous, among which might be mentioned, first, inferiority in quality and therefore less demand, second, adulteration which makes the supply still worse, third, civil strifes and natural calamities which have almost completely disorganized the existing rural economy, and fourth, lack of government support and encouragement. It is too well-known that in China cotton growing, along with other agricultural enterprises, is still unscientific. But the Government has rendered very little, if any, assistance to the farmers in what is rapidly becoming one of the most important sources of income for the land-owners in many provinces. Although recently in certain districts cotton experimental farms have been started, they are few in number, and there is a crying need for the addition of many more in all parts of the country, and farmers must by educated to forsake their antiquated methods of cultivation.

China ranks second in the world in wheat production. Her normal crop was estimated by the Chinese Government Bureau of Economic Information at 600 million bushels (of 60 lbs) per year.[39] However, so far as quality is concerned, wheat produced in China, generally speaking, does not seem to be on the same level as the foreign imported variety. For instance, to cite the Customs Trade Report for 1930, it states thus: "Principally on account of the big drop in the world market price and the slight improvement in exchange towards the end of September, local mills at Shanghai placed considerable orders for Canadian and Australain wheat at prices slightly higher than that ruling for Chinese grain. The mills appear to prefer foreign wheat to native, inasmuch as the former gives better milling values, not only due to its superior quality but also as being free from sand and dirt. As a rule, one picul of native wheat produces some 87 pounds of flour, while the same quantity of foreign wheat yields 100 pounds."[40]

I purposely picked cotton and wheat for illustration of the question of quality, because they are the raw material supply for the cotton industry and the flour industry, two of the leading industries in China. With reference to other raw materials, the same notion may be applied; i.e., their quality is in most cases what the native industries most desire.

The deficient supply of home-grown raw materials, coupled with their not-so-good quality in comparison with foreign supplies, which as a matter of consequence lead to tremendous imports, is a matter of grave concern to the future of China's industrialization. It is detrimental not only to the national wealth, in the form of excess of imports over exports, but also to the development of the industries thereby related.

The basic solution, therefore, rests in the attainment of the possibility of self-dependence within reasonable limitations, both quantitatively and qualitatively,—which, China's industrial future will be in constant peril.

---

34 Imports of rice and paddy

	1930	1931	1932
(in thousand piculs)	19,991	10,741	22,487

35 *Textile News*, Shanghai, No. 962, p. 2150 (in Chinese). Of course this refers to the mill consumption alone.

36 Raw cotton exported during 1931 was reported to be 790,000 piculs; in 1932, 663,000 piculs.

37 *Finance and Commerce*, Vol. 21, No. 8, p. 223.

38 Namely, sulphuric, nitric and hydrochloric acids.

39 *The China Year Book*, 1932, p. 90.

40 *Ibid*, p. 91.

It is common knowledge that China, though spacious in area, has as well a considerable portion of arid land. According to the estimate by Professor Baker, agricult ral economist in the U. S. Department of Agriculture, the proportion of the physically cultivable land in the U. S. A. which is cultivated is nearly 39%, whereas in China the proportion is only about 26%. Again, his study shows that whereas the area of cultivated land per capita of the total populaton of the U. S. A. in 1919 was 3.6 acres, in China it was about 0.4 acre. In other words, there was about nine times as much cultivated land per person in the U. S. A. as in China.[41]

A great many factors account for China's farming backwardness. In addition to the conservatism of the rural population in farming processes might be mentioned the disastrous effects, direct or otherwise, of the incessant civil wars, the communistic activities, the floods, the famines, and several other factors. China's rural economic structure is on the brink of total collapse. A re-organization of China's rural economic structure offers no alternative but immediate execution. To this end, private as well as government effort must be sought, and notably the latter, without which the reconstruction plan will achieve very little, if any, discernable success.

In agricultural potentialities there are tens of millions of acres of fertile land in China awaiting economic transportation to open them to settlement. Furthermore, with scientific agriculture, well-planned irrigation, extensive afforestation, essential railways and roads, improvements in rural credits and marketing methods, the eradication of plant and animal pests, better seed selection, and fertilization, this country's agricultural productivety as well as quality, may be very greatly increased, and ample provision will be made to feed its population on the one hand and to supply its industries on the other.

3. Machinery and Generating Power

One of the most conspicuous aspects of the modern factory system is the increasing utilization of the machine power in place of manual labor for large-scale production. The more advanced the industry, the more use will it have for machinery. It is said that the invention of the power-driven machine paved the way for industrial revolution. In other words, without machinery there would be no existence of the modern factory system.

Without question the expansion of modern industries in China has increased steadily the demand for machinery and power apparatus, such as motors and engines. Almost every important industry in this country finds itself dependent upon the supply of machinery from foreign countries, notably England and U. S. A. From a study made of the Customs statistics for the past twenty years, we find the importation of machinery and tools registering a total value of HK. Taels 4,533,791 in 1912, while in 1931 it reached HK. Taels 44,875,346, a tremendous increase of nearly ten times.[42] On the one hand, this phenomenon may be regarded as encouraging, since it seems to designate the fact that industrialization in China is on a progressive scale. However, upon a second thought, such a phenomenon does not seem so encouraging, for at least two reasons. First, that the future development of China's industry should largely, if not wholly, depend upon foreign machinery is a policy not only unsound but also detrimental to the balance of trade, as it affects the national wealth, and to the industry, as it restricts the scope of future expansion. Secondly, machinery, being vital to any industry, is of such a nature that its supply is liable to be cut short or discontinued in the event of war, as its makers are obliged to turn out war weapons for their national defence under such circumstances. Imagine what a handicap this would mean to the native industries in such an event.

The question naturally arises: To what extent shall China depend on the supply of foreign-manufactured machinery? Or, in other words, can China supply her

41 Baker: "Land Utilization in China," in *Problems of the Pacific*, 1927, p. 329.

42 Statistics showing the Import of Machinery and Tools

(*Value in HK. Taels*)

1912	4,533,791
1917	5,439,770
1922	51,066,853
1927	19,743,096
1931	44,875,346
Twenty years' average	21,667,443

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own industries with homemade machinery as other countries do?

Investigations reveal the deplorable fact that not only the iron and steel industry in China is yet in its infancy, but the smelting of iron is still undeveloped. That China's present position in the mineral production of the world is insignificant has been clearly set forth by the Geological Survey of China, producing as it does in respect of world's mineral production only 0.5% of iron ore, 0.02% of copper, 0.09% of lead, 0.09% of zinc, 6% of tin, 1.6% of coal, and finally, 0.00008% of petroleum.[43] China's iron reserve has been estimated to amount to 951.7 million tons.[44] According to a recent estimate, her annual production of iron ore amounts to 2 million tons, with pig iron about half a million tons. However, it should be noted that the iron mines in China are largely under Japanese control. Japan, being a country very poor in iron-ore resources in proportion to the great demand of her smelting industry, has been, during the last two decades, consistently striving to develop China's iron deposits. The three Manchurian deposits—Miaoerkou, Kungchangling and Anshan—are all in the Japanese hands. Other deposits along the lower Yangtze valley are more or less under her control, since many of them have borrowed heavily from her. It is no wonder that practically all of the export of iron ores goes to Japan.

On the other hand, China's import of iron and steel is much more than its export, although its export of iron ores far exceeds its import. Manufactured iron and steel form an important item of imports. The total value of the imported metals, iron and steel, according to the Customs statistics, amounted to HK. Taels 84,850,295 in 1931 as against an annual average of H.K. Taels 48,457,979 for the past twenty years, indicating an increasing demand for them.

Side by side with the problem of machinery might be considered the generating powers, since the two are quite closely related. The impetus of the growing industries has in one way or another hastened the demand for power supply. Of the mineral resources that give rise to the generating of power, such as electricity and steam, coal and petroleum are perhaps the two most important. However, recent studies have pointed out the fact that so far as China's reserve and production of these two important minerals are concerned, they seem to be quite limited. According to the Geological Survey, China's coal reserve amounts to 217,626 million tons,[45] which is only four percent of the world's total;[46] while its annual production reaches an estimate of 25.7 million tons.[47] In respect of petroleum, China's reserve, after making every allowance for deficiencies in present knowledge of the economic geology of China, is still probably less than one percent of that of the U. S. A.;[48] while its annual production seems to be negligible in comparison with the latter's yearly yield of 42 billion gallons.[49]

43 Fong, H. D.: *China's Industrialization*, p. 8.
44 Hsueh, K. L.: "The Iron and Steel Industry in China," in *Chinese Economic Journal*, Vol. II, No. 1, p. 6.
45-46 "China's Coal Reserve And Production" in *Chinese Economic Journal*, Vol. II, No. 1.
47 Torgasheff, B. P.: *Coal, Iron and Oil in the Far East*, 1929, p. 13.
48 Fong: *China's Industrialization*, p. 8.
49 Arnold, J.: *China Through the American Window*, p. 26.

(To be continued)

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The National City Bank of New York, Rates of Exchange

Shanghai, July 19, 1933.

Demand selling rate on America:	U.S. $100=Sh. $316.83
Demand buying rate on America:	U.S.$100=Sh. $313.11
Demand selling rate on London:	£1.0.0=Sh. $15.422
Demand buying rate on London:	£1.0.0=Sh. $15.178

Latest New York Stock Exchange Quotations

Market—Steady Business Done 6,659,000 Shares

July 19, 1933

1932-3 High	1932-3 Low	Div.$ per Sh.	STOCKS	Mon. Jul. 17	Tue. Jul. 18
13¼	1⅝	—	Adams Express	12⅜	12¾
25	7⅜	.60	Alaska Juneau	24½	30¼
183⅜	42½	*6.00	Allied Chemical & Dye	129⅝	131
95½	29⅝	4.00	American Can	93¾	95
19⅝	2	—	American & Foreign Power	18¼	18⅜
41½	5	—	American & Foreign Power 7% Pfd.	35½	35¼
13	1⅛	—	American & Foreign Power Warr.	12½	12⅛
22½	1⅛	—	American Metal Co.	32⅛	23⅝
40⅝	5⅛	—	American Smelting	40⅝	42¼
137¾	70¼	9.00	American Telephone & Telegraph	131½	132
93¼	44	5.00	American Tobacco "B"	92	92½
40⅝	11	1.00	American Waterworks	40⅛	39⅞
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18½	4¼	—	Atlas Corporation	16½	16⅝
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48⅝	7¼	—	Bethlehem Steel	45⅞	46⅝
36⅞	18	1.60	Borden Company	36	36¼
21⅛	3⅜	—	Borg Warner	19⅞	19⅞
20⅝	7¼	—	Canadian Pacific Railway	20	20
99½	16¾	—	Case, J. I.	99½	96¾
47⅞	19	1.40	Chase National Bank	36	34¼
50¾	4⅞	2.00	Chesapeake Corp.	48	49½
38¼	5	—	Chrysler	36¾	37⅞
26⅞	4¼	.80	Columbia Gas & Electric	26	26¼
7⅝	1⅜	—	Commonwealth & Southern	4⅞	4¾
68¾	31½	3.40	Consolidated Gas of N. Y.	61½	61½
19	8⅝	—	Continental Oil	18⅝	18½
82	24¾	3.00	Corn Products	81¼	84¼
7½	1½	—	Coty Inc.	6¾	6¾
4¼	⅞	—	Curtiss Wright Company	4¼	4⅛
18⅝	5	.75	Douglas Aircraft	17½	17⅜
61½	23	3.00	Drug Incorporated	54	54
83½	22	2.00	Du Pont de Nemours	83¼	83⅝
87⅞	35¼	3.00	Eastman Kodak	86¼	86¾
48	5	6%S	Electric Bond & Share	38⅛	38¼
16	2¾	—	Electric Power & Light	14¼	14¼
5⅞	⅞	—	Fox Film "A"	4¼	4⅜
9⅞	2⅞	—	General Aviation	9⅞	10¼
30	8½	.40	General Electric	29½	29¼
40½	19⅝	1.60	General Foods	38¼	38½
33⅝	7⅝	1.00	General Motors	33¾	33⅞
49½	6¼	1.00	General Railway Signal	46½	46
26⅝	8¼	1.20	Gold Dust	26⅝	26⅞
45⅝	5¼	—	Goodyear Tire & Rubber	45⅝	44½
39⅝	3⅝	—	International Cement	39⅝	38⅞
45¼	10¾	.60	International Harvester	45⅛	44⅜
20⅜	8⅛	—	International Nickel	20	21⅝
21	2⅝	—	International Telephone & Telegraph	20¾	20¾
59	10	—	Johns Manville	59	59
25⅝	4⅞	—	Kennecott	24¼	25⅝
78½	30½	2.40	Lehman Corporation	77	77
96¼	34½	*4.00	Liggett & Myers, "B"	93⅝	94
37¾	9	1.00	Loew's: Inc.	29⅜	29¾
24⅝	9	1.20	Lorillard P. Co. (Com.)	24¼	24⅝
38¼	12	1.00	McIntyre Porcupine	38½	37
28½	8¼	—	Montgomery Ward	28	27½
84⅛	19¾	1.00	National City Bank (bid price)	38¼	.....
115¼	13	—	National Distillers	122½	117
57¼	8⅜	—	New York Central	55⅞	55¼
43¼	13¾	8% S	North American Company	35⅜	34⅝
92½	12	2.00	Owens Illinois Glass	95	93½
37	16⅞	2.00	Pacific Gas & Electric	30⅝	29¾
6⅞	1½	—	Packard Motors	6¾	6½
40¾	6¼	.50	Pennsylvania Railroad	37⅞	31
6	1	—	Pennroad Corporation	5⅝	6
17½	2	—	Phillips Petroleum	17¼	16⅝
18½	2⅛	—	Radio Corporation	11	11
7¾	1	—	Radio-Keith Orpheum	4⅜	4⅝
50¼	26½	8.00	Reynolds Tobacco "B"	49¾	50¼
45⅞	9⅞	—	Sears Roebuck	45⅞	44¾
11¼	2½	—	Shell Union	10½	10½
15¼	5¼	—	Socony-Vacuum Corp.	15⅝	15
32¾	15¾	2.00	Southern California Edison	25½	25⅞
34¼	5¼	—	Standard Gas & Electric	20¼	20⅜
40¼	19⅞	1.00	Standard Oil Co., of N. Jersey	40¼	40⅜
28¼	9¼	1.00	Texas Corporation	28	27⅞
34¼	12	1.00	Texas Gulf Sulphur	33⅜	34
8⅞	2⅛	—	Trans America	8⅞	8⅞
49	15½	1.00	Union Carbide & Carbon	49	50¼
131¾	27⅝	6.00	Union Pacific	125¼	127
44¼	6½	—	United Aircraft & Trans.	.....	44⅞
14¼	3½	—	United Corporation	13⅜	13½
24	9¼	1.20	United Gas Improvement	23½	23½
19	1¼	—	U. S. Rubber	22⅞	23⅝
66	21¼	—	U. S. Steel	65¼	66¾
50¾	11	2.00	Universal Leaf Tobacco	50¾	50⅞
31⅞	5¼	—	Vanadium	31⅞	33¾
8⅛	½	—	Warner Bros. Pictures	8¼	8
57⅛	15⅝	—	Westinghouse E. & M.	57⅛	57⅜
50	22	2.40	Woolworth	49	49⅛

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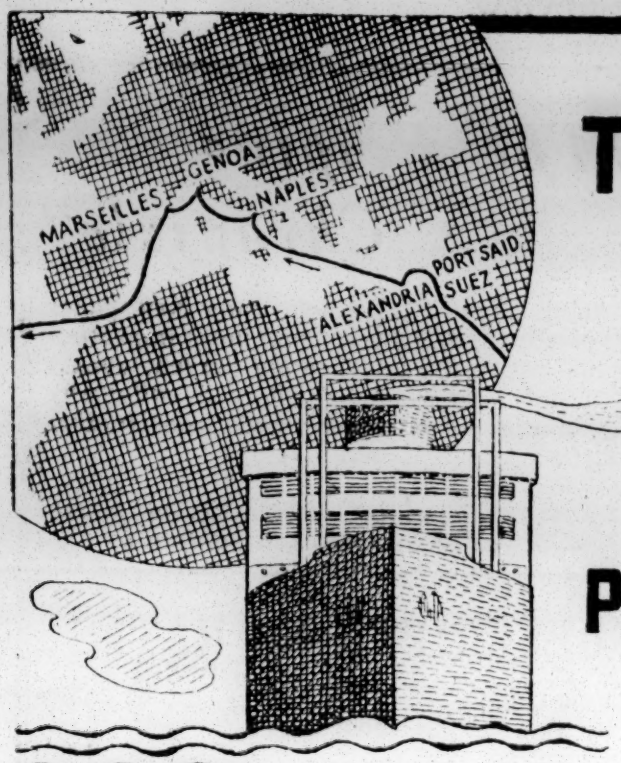

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